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Annual financial review, 1997

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A. Introduction

1. The Executive Director presents in this report a summary of the financial situation of the United Nations Population Fund (UNFPA) for 1997.

2. Tables 1 and 2 have been reformatted in line with recommendations by the Administrative Committee on Coordination (ACC) on the harmonization of financial statements with the United Nations system. These changes reflect the current presentation of UNFPA financial statements for the biennium ended 31 December 1997.

3. For comparison purposes, financial information pertaining to 1996 is also included in the text and tables of this report. Tables 11, 12 and 13 highlight financial trends for the past 10 years.

B. Overview

4. Table 1 presents a comparison of income and expenditures for 1996 and 1997. Total income from regular resources in 1997 amounted to $289.7 million and total expenditures to $303.6 million. This resulted in an excess of expenditure over income of $14.0 million. However, surplus general resources brought forward from 1996 amounted to $27.2 million. Thus, after adjusting for excess expenditure in 1997 and the transfer of $1.7 million to the Global Contraceptive Commodity Programme (GCCP), unspent general resources to be carried forward to 1998 total $11.5 million.

C. Income

5. Total income in 1997 decreased by $19.1 million (6.2 per cent) from the 1996 income level ($308.8 million). Total contributions pledged by 88 Governments in 1997 were $287.1 million, a decrease of $15.5 million in dollar terms from the previous year (1996: $302.6 million). Table 3a includes a summary of donor pledges for 1997 as compared to 1996; table 3b includes donor pledges and payments for 1997. Of UNFPA's major donors, significant increases in contributions were pledged by Denmark, Finland, Netherlands, Norway, Switzerland and the United States. The cumulative outstanding balance of unpaid pledges for 1997 and prior years is $21.1 million. Of this amount, approximately $16.9 million relates to a pledge for 1997 which was received in January 1998. Another $3.0 million relates to the balance of a 1996 pledge which is being paid in installments.

6. Throughout 1997, UNFPA's cash holdings were maintained in relatively stable major currencies, such as the United States dollar. Interest income amounted to $5.3 million (1996: $5.1 million). UNFPA realized a $3.7 million loss on exchange mainly as a result of the weakening Asian currencies. This loss is included in net miscellaneous income of negative $3.0 million (1996: $1.0 million, see table 1).

D. Programme expenditures

7. As shown in table 4, total project expenditures in 1997 were $214.4 million (1996: $216.5 million), a decrease of $2.1 million (0.9 per cent). United Nations agencies (including the regional commissions) executed projects amounting to $22.5 million (1996: $27.2 million), constituting 10.5 per cent of total project expenditures in 1997. Table 4 also shows the percentage breakdown of project expenditures by United Nations executing agencies for 1996 and 1997. Governments, assisted by UNFPA country offices, executed projects amounting to $55.5 million in 1997 (1996: $65.4 million), accounting for 25.9 per cent of total project expenditures in 1997, a decrease from the 1996 level. UNFPA-executed projects totalled $104.3 million in 1997 (1996: $91.1 million), an increase of 14.4 per cent. Of this amount, $41.1 million is in respect of procurement assistance undertaken on behalf of Governments, representing a 30.5 per cent increase over 1996 ($31.5 million). Expenditures for projects executed by non-governmental organizations (NGOs) (which includes intergovernmental institutions and other agencies) totaled $32.1 million in 1997, a decrease of 1.8 per cent from 1996 ($32.7 million), constituting 15.0 per cent of project expenditures.

8. Table 5 shows 1997 expenditures by executing agency and by major expenditure component of the project budgets. It indicates that the major components of UNFPA projects consist of equipment and supplies, 31.2 per cent, and personnel services, 23.5 per cent (1996: 25.5 per cent and 26.5 per cent, respectively).

9. Table 6 provides a breakdown of costs, by executing agency, of technical support services (TSS) and administrative and operational services (AOS) for 1997, which totalled $30.9 million (1996: $31.1 million), or 10.2 per cent of total expenditure. TSS costs amounted to $23.5 million; AOS, $7.3 million.[1]

10. Table 7 shows total project expenditures by country and resource allocation category for 1996 and 1997.

11. Programme expenditures, including TSS and AOS, in 1997 ($245.3 million) constituted 80.8 per cent of total expenditure (1996: $247.5 million, or 82.4 per cent of total expenditures).

E. Biennial support budget (BSB) expenditures

12. The total net BSB expenditures in 1997 amounted to $58.3 million (1996: $52.8 million). Of this amount, headquarters net administrative costs totalled $15.3 million (5.1 per cent of total

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[1] Total AOS costs comprise three elements: (a) reimbursements to United Nations executing agencies for support costs - $1.3 million; (b) payment of overhead charges to non-governmental organizations (NGOs) executing UNFPA-financed projects - $1.2 million; and (c) reimbursements to UNFPA for support costs ($2.1 million) and procurement services ($2.8 million) provided to government-executed projects - $4.9 million.

expenditures), after the application of income credits totalling $5.5 million.[2] Programme support costs, including total country office costs, amounted to $43.0 million, $29.7 million (1996: $27.6 million) of which was incurred by country offices, and the remainder ($13.3 million) at headquarters.[3] Tables 12 and 13 show the historical distribution between headquarters and country offices, and between administrative and programme support costs, respectively. An analysis of the 1997 BSB expenditure by component is contained in table 8.

F. Status of reserves

13. Operational reserve. At its thirty-eighth session, the Governing Council decided (in decision 91/36) that the level of the operational reserve should be set at 20 per cent of regular resources income for each year of the UNFPA work plan and that the level of the reserve would be reviewed every other year. In accordance with this decision, the operational reserve was increased from $53 million to $63 million in 1995. As at 31 December 1997, the operational reserve was fully funded at $63 million.

14. Field office accommodation reserve. A reserve for field office accommodation amounting to $5 million was approved by the Governing Council for 1992-1993 (decision 91/36, para. 17). An amount of $1 million was utilized in 1994 towards the cost of construction of common premises for organizations of the United Nations in Cape Verde, Guinea-Bissau, Maldives and Sao Tome and Principe. No further payments were made, pending completion of the on-going UNDP review of its Reserve for Field Accommodation.

G. Liquidity position

15. As at 31 December 1997, UNFPA held cash and investments amounting to $153.0 million, which included $67.0 million in investments of the reserves (1996: $47.2 million) and $54.7 million in investments for trust funds (1996: $58.7 million) (table 2). UNFPA was highly successful in its efforts to increase the rate of receipt of contributions throughout the year. As a result, the operational reserve remained intact at year end.

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[2] These income credits are in respect of income earned by UNFPA for support costs ($2.1 million) and for procurement services ($2.8 million) provided to government-executed projects, and for projects executed under trust fund arrangements ($0.7 million).

[3] The Biennial support budget consists of four programmes. Administrative costs include programmes I (executive direction and management) and II (administration, information and external relations services and programme coordination). Programme support costs that are exclusively devoted to programme development and implementation include programme III (programme planning, appraisal and monitoring) and programme IV (which consists of UNFPA's country offices). For future biennia starting with 1998-1999, the budget will follow the format and guidelines approved by the Executive Board in decision 97/6 on the harmonization of the budgets of UNDP, UNICEF and UNFPA.

H. UNFPA trust funds

16. Table 9 shows that in 1997 total income from donors and other sources for projects financed through trust funds, including those funded through multi-bilateral sources, and from procurement services was $35.3 million (1996: $44.5 million). Total expenditures from trust funds were $28.1 million (1996: $33.1 million). Transfers and adjustments to trust fund resources, including refunds to donors, were $0.7 million (1996: $4.9 million).

17. As at 1 January 1997, the unexpended balance of trust funds was $39.9 million, which, when added to total net income of $36.0 million, including transfers and adjustments, resulted in a total amount available for programming in 1997 of $75.9 million. The unexpended balance as at 31 December 1997 of $47.9 million is available to finance trust fund activities in 1998. Table 10 shows programme expenditures from trust funds by country for 1996 and 1997. These figures include project costs and support costs paid by trust funds.

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Table 1

Statement of income and expenditure for the twelve months ended 31 December
(Millions of US dollars)

	General Fund			Trust Funds		
	1996	1997	% Change	1996	1997	% Change
Income						
Voluntary contributions including cost-sharing	302.6	287.3	-5%	42.6	33.1	-22%
Interest income	5.1	5.3	3%	1.9	2.2	20%
Miscellaneous income (net)	1.0	(3.0)	-395%	0.0	0.0	
Total income	**308.8**	**289.7**	**-6%**	**44.5**	**35.3**	**-21%**
Expenditure						
Programme expenditure						
United Nations agencies	27.2	22.5	-17%	0.5	0.6	3%
Governments	65.4	55.5	-15%	4.1	5.3	31%
UNFPA	91.1	104.3	14%	26.2	19.4	-26%
NGOs	32.7	32.1	-2%	0.7	1.5	124%
Subtotal - Project expenditure	216.5	214.4	-1%	31.5	26.8	-15%
Technical support costs	23.5	23.5	0%	0.0	0.0	
Administrative and operational services	7.6	7.3	-3%	1.6	1.3	-20%
Subtotal - Other programme costs	31.1	30.9	-1%	1.6	1.3	-20%
Total programme expenditure	247.5	245.3	-1%	33.1	28.1	-15%
Biennial Support Budget						
Administrative costs (net)	13.3	15.3	15%	0.0	0.0	
Programme support services	39.5	43.0	9%	0.0	0.0	
Total Biennial Support Budget costs	52.8	58.3	11%	0.0	0.0	
Total Expenditure	**300.3**	**303.6**	**1%**	**33.1**	**28.1**	**-15%**
Provision for write-off of non-convertible currencies a_/	0.0	0.0				
Surplus income/(Expenditure)	**8.5**	**(14.0)**	**-265%**	**11.4**	**7.2**	**-37%**

Statement of movement of resources

	1996	1997	1996	1997
Balance as at 1 January	23.7	27.2	23.7	39.9
Surplus income/(expenditure)	8.5	(14.0)	11.4	7.2
Transfer to operational reserve	0.0	0.0	0.0	0.0
Transfer to/from trust funds b_/	(5.0)	(1.7)	4.9	0.7
Total unspent resources as at 31 December	27.2	11.5	39.9	47.9

Note: Figures may not add up to totals given due to rounding.

a_/ A provision for writeoff of $30,000 was made to reflect the over-valuation of the currency of the former Czechoslovakia.
b_/ Global Contraceptive Commodity Programme (1996: $5.0 million; 1997: $1.7 million).

Table 2

Statement of assets, liabilities and reserves & fund balances as at 31 December
(Millions of US dollars)

	General Fund		Trust Funds	
	1996	1997	1996	1997
Assets				
Cash	0.1	1.2	0.1	0.2
Investments held for:				
Operational reserve	43.2	63.0	0.0	0.0
Reserve for field accommodation	4.0	4.0	0.0	0.0
Cost-sharing	0.0	0.4	0.0	0.0
Trust funds	48.1	39.7	0.0	0.0
General resources	0.0	29.5	10.5	15.0
Total cash and investments	95.4	137.8	10.6	15.2
Pledges receivable from Governments	70.9	21.1	0.0	0.0
Accounts receivable				
Non-convertible currencies	0.0	0.0	0.0	0.0
Due from General Fund	0.0	0.0	48.1	39.7
Accrued interest	1.3	1.7	0.1	0.1
Other accounts receivable and deferred charges	0.5	0.7	0.0	0.0
Advances				
Operating funds provided to:				
Governments	11.6	19.7	0.8	2.9
Executing agencies	4.4	2.3	0.6	0.3
Inter-governmental institutions & NGOs	7.8	10.7	0.4	0.7
Advance to Reserve for Field Accomodation	1.0	1.0	0.0	0.0
Total Assets	**193.1**	**195.1**	**60.5**	**58.8**
Liabilities, Reserves and Fund Balances				
Liabilities				
Accounts payable	7.5	4.3	0.0	0.0
Operating funds payable to:				
Governments	3.1	2.8	0.3	0.2
Executing agencies	4.7	5.4	0.6	0.6
Inter-governmental institutions & NGOs	1.1	2.2	0.1	0.1
Unliquidated obligations of executing agencies	32.0	40.8	19.6	10.0
Due to UNDP	1.3	20.2	0.0	0.0
Due to UNFPA trust funds	48.1	39.7	0.0	0.0
Due to Junior Professional Officers programme	0.1	0.1	0.0	0.0
Subtotal - Liabilities	97.9	115.6	20.6	10.9
Reserves and Fund Balances				
Operational reserve	63.0	63.0	0.0	0.0
Reserve for Field Accommodation	5.0	5.0	0.0	0.0
Unexpended Cost-sharing resources	0.0	0.4	0.0	0.0
Unexpended General resources	27.1	11.1	39.9	47.9
Subtotal - Reserves and Fund Balances	95.2	79.5	39.9	47.9
Total Liabilities, Reserves and Fund Balances	**193.1**	**195.1**	**60.5**	**58.8**

Note: Figures may not add up to totals given due to rounding.

Table 3a

Summary of pledges by donor Governments as at 31 December 1997

		1996 Pledges National Currency		1996 Pledges $US	1997 Pledges National Currency		1997 Pledges $US	Pledges Perct.(%) Change a_/
Major Donors b_/								
Australia	(A$)	3,000,000		2,222,222	2,040,000		1,593,750	(32)
Belgium	(BF)	77,100,000		2,519,608	65,000,000		1,719,579	(16)
Canada	(C$)	9,470,000		7,016,355	9,050,000		6,487,539	(4)
Denmark	(Dkr)	213,000,000		36,410,256	220,000,000		32,799,197	3
		62,000,000	c_/	10,598,291	7,000,000	c_/	1,043,213	
Finland	(MK)	59,000,000		12,841,547	62,000,000		11,915,515	5
		5,000,000	c_/	1,079,144	14,000,000	c_/	2,623,049	
Germany	(DM)	46,200,000		30,753,100	42,000,000		24,282,976	(9)
Italy	(L)	2,500,000,000		1,661,130	2,000,000,000		1,123,596	(20)
Japan	(Yen)			54,420,000			54,420,000	-
Netherlands	(Fls)	75,000,000		44,796,528	77,000,000		39,853,602	3
					9,000,000	c_/	4,522,613	
Norway	(Nkr)	183,000,000		28,304,184	195,900,000		28,268,687	7
Sweden	(Skr)	116,000,000		17,458,690	116,000,000		15,176,579	-
Switzerland	(SWF)	9,000,000		6,976,744	10,000,000		6,896,552	11
United Kingdom	(£)	10,500,000		16,495,809	9,000,000		14,821,006	(14)
					4,000,000	c_/	6,666,667	
					1,000,000	d_/	1,666,667	
United States	(US$)			22,750,000			25,000,000	10
Subtotal				296,303,608			280,880,787	
Other Donors e_/								
Austria	(S)	6,800,000		635,000	6,800,000		545,956	-
China	(YRMB)			400,000			400,000	-
France	(FF)	4,000,000		782,779	4,000,000		675,676	-
					1,350,000	c_/	229,202	
India	(Rs)	9,000,000		253,521	9,000,000		249,307	-
Indonesia	(RP)			171,423			174,148	2
Ireland	(L)	250,000		389,575	275,000		429,935	10
Luxembourg	(LuxF)	8,000,000		254,737	10,000,000		279,936	25
New Zealand	(NZ$)	1,000,000		672,200	1,200,000		821,640	20
Pakistan	(Rs)			500,000			500,000	-
Republic of Korea	(W)			500,000			525,000	5
Russian Federation	(R)			150,000			150,000	-
Spain	(PTS)	60,000,000		475,063	60,000,000		408,455	-
Subtotal				5,184,298			5,389,255	
Remaining Donors f_/				1,000,638			779,455	
Total				302,488,544			287,049,497	
Adjustments for prior periods (net)				107,147			27,179	
Grand Total Pledges				**302,595,691**			**287,076,676**	

a_/ All percentage changes are based on the currency of the pledge.
b_/ Major donors as defined here comprise Governments that have pledged the equivalent of US$1 million or more.
c_/ Supplementary contribution.
d_/ Supplementary contribution for Global Contraceptive Commodity Programme (GCCP).
e_/ Other donors include 12 countries each year, in 1996 and 1997, contributing pledges of US$ 100,000 or more.
f_/ Remaining donors include 69 in 1996 and 62 in 1997.

Table 3b
Status of voluntary contributions pledged as at 31 December 1997
(United States dollars)

Donor	Balance due as at 1 January 1997 for prior years	Additions and adjustments for prior years	Pledges b/ for 1997	Pledges for 1998 and future years Local Currency	United States dollars	Total	Total payments a/ received in 1997	Unpaid pledges as at 31 December 1997	Composition of Balance Due For 1997 and prior years	Composition of Balance Due For 1998 and future years
Afghanistan	-	-	-	-	-	-	-	-	-	-
Albania	534	(165)	-	-	-	369	-	369	369	-
Algeria	16,305	(261)	5,348	300,000	5,348	26,740	-	26,740	21,392	5,348
Andorra	-	-	5,000	-	6,000	11,000	5,000	6,000	0	6,000
Australia	-	-	1,593,750	-	-	1,593,750	1,593,750	0	-	-
Austria	-	65,000	545,956	6,102,000	496,098	1,107,054	610,956	496,098	-	496,098
Bahamas	500	-	-	-	-	500	-	500	500	-
Bangladesh	-	-	25,000	-	25,000	50,000	-	50,000	25,000	25,000
Barbados	-	-	3,500	-	-	3,500	3,500	0	-	0
Belgium	-	(49,876)	1,719,577	65,000,000	1,785,714	3,455,415	1,669,701	1,785,714	-	1,785,714
Benin	9,500	-	2,500	-	1,000	13,000	12,000	1,000	-	1,000
Bhutan	-	-	2,800	-	-	2,800	2,800	0	-	-
Bolivia	4,000	-	-	-	-	4,000	-	4,000	4,000	-
Brazil	30,000	-	-	-	15,000	45,000	15,000	30,000	15,000	15,000
Bulgaria	220	(158)	42	125,000	71	175	-	175	104	71
Burkina Faso	13,593	(1,268)	1,698	-	-	14,023	12,325	1,698	1,698	-
Canada	-	-	6,487,539	-	-	6,487,539	6,487,539	0	-	-
Central African Republic	1,359	(171)	-	-	-	1,188	-	1,188	1,188	-
Chile	1,000	-	5,000	-	5,000	11,000	5,000	6,000	1,000	5,000
China	-	-	400,000	-	-	400,000	400,000	0	-	-
Colombia	-	-	40,000	-	40,000	80,000	40,000	40,000	-	40,000
Comoros	1,813	(229)	-	-	-	1,584	-	1,584	1,584	-
Cook Islands	-	4,400	-	-	-	4,400	4,400	0	-	-
Costa Rica	-	-	4,307	-	-	4,307	4,307	0	-	-
Cote d'Ivoire	3,884	(488)	-	-	5,000	8,396	-	8,396	3,396	5,000
Cyprus	-	-	943	-	-	943	-	943	943	-
Czech Republic	74,349	(15,869)	59,880	2,000,000	59,880	178,240	58,480	119,760	59,880	59,880
Denmark	-	-	33,842,416	-	-	33,842,416	33,842,416	0	-	-
Djibouti	1,000	-	1,000	-	1,000	3,000	1,000	2,000	1,000	1,000
Dominican Republic	7,463	(320)	-	-	-	7,143	-	7,143	7,143	-
Egypt	255,062	-	103,858	350,000	103,858	462,778	88,928	373,850	269,992	103,858
Equatorial Guinea	3,301	(415)	-	-	-	2,886	-	2,886	2,886	-
Ethiopia	-	-	4,511	30,000	4,405	8,916	4,511	4,405	-	4,405
Federated States of Micronesia	3,000	-	3,000	-	-	6,000	3,000	3,000	3,000	-
Fiji	-	-	3,425	5,000	3,425	6,850	-	6,850	3,425	3,425
Finland	-	-	14,538,564	-	-	14,538,564	14,538,564	0	-	-
France	-	-	904,878	-	-	904,878	675,676	229,202	229,202	-
Gambia	5,000	-	-	-	-	5,000	-	5,000	5,000	-
Germany	-	-	24,282,976	42,000,000	23,863,636	48,146,612	24,282,976	23,863,636	-	23,863,636
Ghana	-	-	5,000	-	10,000	15,000	5,000	10,000	-	10,000
Guatemala	1,528	-	-	-	-	1,528	-	1,528	1,528	-
Iceland	-	-	6,993	500,000	7,440	14,433	6,993	7,440	-	7,440
India	-	-	249,307	9,000,000	249,307	498,614	249,307	249,307	-	249,307
Indonesia	-	-	174,148	-	-	174,148	174,148	0	-	-
Iran, Islamic Republic	50,000	-	-	-	-	50,000	-	50,000	50,000	-

Table 3b (continued)

Status of voluntary contributions pledged as at 31 December 1997

(United States dollars)

Donor	Balance due as at 1 January 1997 for prior years	Additions and adjustments for prior years	Pledges b/ for 1997	Pledges for 1998 and future years: Local Currency	Pledges for 1998 and future years: United States dollars	Total	Total payments a/ received in 1997	Unpaid pledges as at 31 December 1997	Composition of Balance Due: For 1997 and prior years	Composition of Balance Due: For 1998 and future years
Ireland	-	-	429,935	-	-	429,935	429,935	0	- -	
Italy	326,797	-	1,123,596	-	-	1,450,393	1,450,393	0	- -	
Japan	54,420,000	-	54,420,000	-	-	108,840,000	91,980,000	16,860,000	16,860,000 -	
Jordan	-	-	48,023	-	-	48,023	48,023	0	- -	
Kenya	2,945	5,311	4,582	-	5,000	17,838	12,838	5,000	-	5,000
Kuwait	5,000	-	-	-	-	5,000	-	5,000	5,000 -	
Lao, People's Democratic Republic	-	-	1,000	-	1,000	2,000	-	2,000	1,000	1,000
Lebanon	6,000	-	3,000	-	-	9,000	3,000	6,000	6,000 -	
Lesotho	-	-	1,062	4,696	966	2,028	1,062	966	-	966
Libyan Arab Jamahiriya	-	-	10,000	-	-	10,000	-	10,000	10,000 -	
Luxembourg	-	-	279,936	14,000,000	384,615	664,551	279,936	384,615	-	384,615
Madagascar	14,496	-	-	-	-	14,496	13,066	1,430	1,430 -	
Malawi	3,532	(64)	5,701	98,625	5,701	14,870	-	14,870	9,169	5,701
Malaysia	-	-	15,000	-	-	15,000	-	15,000	15,000 -	
Maldives	-	-	2,000	-	2,000	4,000	2,000	2,000	-	2,000
Malta	-	-	1,252	-	-	1,252	1,252	0	- -	
Mauritania	7,352	(210)	3,049	500,000	3,049	13,240	7,142	6,098	3,049	3,049
Mauritius	-	-	5,076	-	-	5,076	5,076	0	- -	
Mexico	-	45,241	44,687	-	-	89,928	89,928	0	- -	
Mongolia	-	-	4,000	-	4,000	8,000	-	8,000	4,000	4,000
Morocco	6,000	95	8,000	-	8,000	22,095	12,190	9,905	1,905	8,000
Mozambique	2,457	(6)	-	-	-	2,451	-	2,451	2,451 -	
Myanmar	-	-	5,000	60,000	215	5,215	165	5,050	4,835	215
Namibia	437	(7)	500	-	-	930	430	500	500 -	
Nepal	6,000	-	6,053	-	-	12,053	6,053	6,000	6,000 -	
Netherlands	-	-	44,376,215	78,500,000	39,447,236	83,823,451	44,376,215	39,447,236	-	39,447,236
New Zealand	-	-	821,640	-	-	821,640	821,640	0	- -	
Nigeria	3,165	(86)	-	-	-	3,079	-	3,079	3,079 -	
Niue	-	-	311	1,000	621	932	-	932	311	621
Norway	-	-	28,268,687	-	-	28,268,687	28,268,687	0	- -	
Pakistan	-	-	500,000	-	500,000	1,000,000	454,442	545,558	45,558	500,000
Panama	-	-	10,000	-	2,500	12,500	12,500	0	- -	
Paraguay	-	-	27,000	-	-	27,000	-	27,000	27,000 -	
Peru	-	-	10,000	-	-	10,000	-	10,000	10,000 -	
Philippines	76,336	-	58,309	2,000,000	58,309	192,954	76,336	116,618	58,309	58,309
Poland	-	-	19,461	-	-	19,461	19,461	0	- -	
Portugal	-	-	50,000	-	-	50,000	50,000	0	- -	
Republic of Korea	-	-	525,000	-	-	525,000	525,000	0	- -	
Romania	-	-	695	6,480,470	835	1,530	695	835	-	835
Russian Federation	-	-	150,000	-	150,000	300,000	150,000	150,000	-	150,000
Saint Lucia	-	-	720	- -	-	720	720	0	- -	
Samoa	-	-	-	-	7,500	7,500	2,500	5,000	-	5,000
Saudia Arabia	30,000	-	30,000	-	30,000	90,000	30,000	60,000	30,000	30,000
Seychelles	-	-	100	-	100	200	-	200	100	100

Table 3b (continued)
Status of voluntary contributions pledged as at 31 December 1997
(United States dollars)

Donor	Balance due as at 1 January 1997 for prior years	Additions and adjustments for prior years	Pledges b/ for 1997	Pledges for 1998 and future years Local Currency	Pledges for 1998 and future years United States dollars	Total	Total payments a/ received in 1997	Unpaid pledges as at 31 December 1997	Composition of Balance Due For 1997 and prior years	Composition of Balance Due For 1998 and future years
Slovenia	-	-	904	150,000	904	1,808	-	1,808	904	904
South Africa	-	-	-	50,000	10,288	10,288	-	10,288	-	10,288
Spain	-	-	408,455	-	-	408,455	408,455	0	- -	
Sri Lanka	-	-	15,000	-	-	15,000	-	15,000	15,000 -	
Sudan	1,000	-	-	-	30,000	31,000	-	31,000	1,000	30,000
Swaziland	437	(25)	-	-	-	412	-	412	412 -	
Sweden	-	-	15,176,579	-	-	15,176,579	15,176,579	0	- -	
Switzerland	-	-	6,896,552	-	-	6,896,552	6,896,552	0	- -	
Syrian Arab Republic	-	-	1,844	-	-	1,844	1,844	0	- -	
Thailand	-	-	379	2,468,000	61,700	62,079	379	61,700	-	61,700
Togo	5,825	(732)	-	-	-	5,093	-	5,093	5,093 -	
Trust Territory of the Pacific Islands	-	-	1,000	-	1,000	2,000	1,000	1,000	-	1,000
Trinidad and Tobago	-	-	5,000	-	-	5,000	5,000	0	- -	
Tunisia	25,853	(2,917)	25,681	25,000	22,936	71,553	25,681	45,872	22,936	22,936
Turkey	210,000	-	90,000	-	108,000	408,000	169,437	238,563	130,563	108,000
Tuvalu	-	2,461	-	-	-	2,461	2,461	0	- -	
Uganda	5,291	(328)	-	-	-	4,963	-	4,963	4,963 -	
United Kingdom	-	-	23,154,340	-	-	23,154,340	23,154,340	0	- -	
United Republic of Tanzania	10,310	(442)	-	600,000	987	10,855	-	10,855	9,868	987
United States of America	15,165,000	-	25,000,000	-	-	40,165,000	37,136,000	3,029,000	3,029,000 -	
Uruguay	85,480	(25,920)	-	-	-	59,560	34,560	25,000	25,000 -	
Vanuatu	5,000	-	5,000	-	-	10,000	5,000	5,000	5,000 -	
Venezuela	6,118	-	-	-	-	6,118	6,118	0	- -	
Viet Nam	3,400	-	3,436	-	3,536	10,372	3,400	6,972	3,436	3,536
Yemen Arab Republic	4,838	4,881	-	-	-	9,719	9,719	0	- -	
Zambia	2,000	-	-	-	-	2,000	-	2,000	2,000 -	
Zimbabwe	874	(253)	-	-	-	621	-	621	621 -	
TOTAL	70,925,354	27,179	287,076,676		67,538,180	425,567,389	336,964,487	88,602,902	21,069,722	67,533,180

a/ Includes payments received for 1998:

Panama	2,500
Western Samoa	2,500
TOTAL	5,000

b/ Does not include pledges for 1997 for which payments were received in 1996:

Israel	4,000
Marshall Islands	1,000
Western Samoa	5,000
Thailand	95,630
TOTAL	105,630

Table 4

Project expenditure by executing agency (1996 and 1997)
(Millions of US dollars)

Executing Agency	1996		1997	
	$	Percentage of total expenditure	$	Percentage of total expenditure
United Nations	6.22	2.87%	4.23	1.97%
UN-OPS	0.02	0.01%	0.10	0.04%
ECA	0.04	0.02%	0.08	0.04%
ECE	0.62	0.28%	0.51	0.24%
ECLAC	0.77	0.36%	0.60	0.28%
ESCAP	0.95	0.44%	0.97	0.45%
ESCWA	0.13	0.06%	0.19	0.09%
FAO	1.12	0.52%	0.81	0.38%
ILO	3.13	1.45%	2.20	1.03%
UNIDO	0.11	0.05%	(0.02)	-0.01%
UNESCO	3.92	1.81%	3.33	1.55%
UNICEF	0.19	0.09%	0.10	0.05%
UNIFEM	0.00	0.00%	0.01	0.00%
UNRWA	0.00	0.00%	0.08	0.04%
WHO	10.00	4.62%	9.33	4.35%
Subtotal	27.21	12.57%	22.53	10.51%
Governments a_/	65.41	30.22%	55.46	25.87%
NGOs b_/	32.73	15.12%	32.14	14.99%
UNFPA c_/	91.10	42.09%	104.28	48.64%
TOTAL	216.45	100.00%	214.40	100.00%

Note: Figures may not add up to totals given due to rounding.

a_/ Government-executed project expenditure does not include $8.5 million of cash advances in 1996 and $16.9 million of cash advances in 1997, which were reported as the balance of operating fund accounts receivable and payable with Governments at year-end.

b_/ NGO-executed project expenditure does not include $6.8 million of cash advances in 1996 and $8.6 million of cash advances in 1997, which were reported as the balance of operating fund accounts receivable and payable with NGOs at year-end.

c_/ Includes UNFPA procurement assistance in respect of Government-executed projects amounting to $31.5 million in 1996 and $41.1 million in 1997.

Table 5

Project expenditure by executing agency and by major component, 1997

(Thousands of US dollars)

Executing Agency	Personnel services	Sub-contracts	Training (fellowships)	Equipment and supplies	Miscellaneous	Total Project Expenditure
UNITED NATIONS	3,013	170	535	308	204	4,230
UN-OPS	12	45	(6)	43	2	96
ECA	70	0	8	0	0	78
ECE	371	29	81	27	2	510
ECLAC	552	13	15	0	19	599
ESCAP	576	158	191	8	41	974
ESCWA	69	51	65	3	2	190
FAO	300	203	217	29	60	809
ILO	1,330	55	381	218	216	2,200
UNESCO	1,693	470	574	325	271	3,333
UNICEF	79	0	0	25	0	104
UNIDO	13	0	(20)	0	(8)	(15)
UNIFEM	6	0	0	0	0	6
UNRWA	0	0	0	83	0	83
WHO	2,575	4,277	1,558	679	241	9,330
UN agencies total	10,659	5,471	3,599	1,748	1,050	22,527
Governments	9,265	11,417	17,088	10,593	7,098	55,461
NGOs	10,741	7,990	7,969	2,447	2,990	32,137
UNFPA	19,630	14,951	14,508	52,164	3,026	104,279 a/
Total	50,295	39,829	43,164	66,952	14,164	214,404
Per cent of total	23.5%	18.6%	20.1%	31.2%	6.6%	100.0%

Note: Figures may not add up to totals given due to rounding.

a/ Includes UNFPA procurement assistance in respect of government-executed projects amounting to $41.1 million.

Table 6

Technical support services and administrative and operational services costs, 1997
(Thousands of US dollars)

Executing Agency	Technical support services	Administrative and operational services	Total
United Nations	2,109	273	2,382
UN-OPS	0	7	7
ECA	1,648	0	1,648
ECE	0	37	37
ECLAC	113	45	158
ESCAP	640	61	701
ESCWA	430	0	430
FAO	1,535	46	1,581
ILO	3,053	159	3,212
UNESCO	2,333	224	2,557
UNICEF	0	6	6
UNIDO	0	0	0
UNIFEM	29	0	29
UNRWA	0	0	0
WHO	3,386	438	3,824
UN agencies total	15,276	1,296	16,572
Governments	0	2,773	2,773
NGOs	133	1,221	1,354
UNFPA	8,124	2,055	10,179
Total	23,533	7,345	30,878

Note: Figures may not add up to totals given due to rounding.

Table 7

Project expenditures by country for 1996 and 1997
(Thousands of US dollars)

Country	Category *	1996	1997	Per cent change
Africa region (sub-Saharan)				
Angola	A	1,199.2	2,060.0	72%
Benin	A	942.9	2,944.1	212%
Burkina Faso	A	2,387.3	2,098.0	-12%
Burundi	A	1,284.9	1,418.7	10%
Cameroon	A	1,272.8	1,875.0	47%
Cape Verde	A	273.9	886.4	224%
Central African Republic	A	1,015.7	919.2	-10%
Chad	A	1,304.9	1,352.1	4%
Comoros	A	1,137.2	580.1	-49%
Congo	A	1,054.6	257.9	-76%
Cote d'Ivoire	A	1,528.6	1,845.0	21%
Democratic Republic of the Congo	A	643.7	140.3	-78%
Equatorial Guinea	A	1,017.6	1,005.7	-1%
Eritrea	A	1,046.4	1,121.7	7%
Ethiopia	A	3,069.5	5,794.0	89%
Gambia	A	351.8	646.9	84%
Ghana	A	720.4	1,921.6	167%
Guinea	A	2,433.5	966.3	-60%
Guinea-Bissau	A	505.8	596.3	18%
Kenya	A	3,056.7	2,039.2	-33%
Lesotho	A	680.8	690.2	1%
Liberia	A	144.2	62.4	-57%
Madagascar	A	1,802.1	1,668.9	-7%
Malawi	A	3,208.1	2,825.9	-12%
Mali	A	1,786.1	2,338.6	31%
Mauritania	A	522.2	992.3	90%
Mozambique	A	1,605.3	3,030.1	89%
Niger	A	1,655.2	2,160.3	31%
Nigeria	A	2,724.9	2,887.2	6%
Rwanda	A	730.5	1,486.7	104%
Sao Tome and Principe	A	267.7	477.3	78%
Senegal	A	3,476.5	3,061.0	-12%
Sierra Leone	A	479.9	267.9	-44%
Togo	A	968.7	720.2	-26%
Uganda	A	2,854.5	3,018.4	6%
United Republic of Tanzania	A	4,011.7	4,177.5	4%
Zambia	A	1,726.7	2,630.5	52%
Subtotal category A		54,892.8	62,963.9	15%
Botswana	B	742.9	911.4	23%
Gabon	B	465.8	426.1	-9%
Namibia	B	1,870.0	1,408.7	-25%
South Africa	B	1,103.3	1,259.4	14%
Swaziland	B	471.1	677.9	44%
Zimbabwe	B	1,316.3	1,792.3	36%
Subtotal category B		5,969.3	6,475.7	8%
Mauritius	C	282.7	290.3	3%
Seychelles	O	274.4	100.6	-63%
Country projects total		61,419.2	69,830.5	14%
Regional projects total		4,304.6	4,742.2	10%
Africa (sub-Saharan) regional total		65,723.7	74,572.7	13%

Table 7 (continued)

Project expenditures by country for 1996 and 1997
(Thousands of US dollars)

Country	Category *	1996	1997	Per cent change
Asia and the Pacific				
Afghanistan	A	4.9	10.3	111%
Bangladesh	A	7,985.1	6,752.2	-15%
Bhutan	A	674.5	1,075.7	59%
Cambodia	A	2,284.3	3,918.1	72%
India	A	13,265.2	8,765.2	-34%
Kiribati	A	58.0	64.8	12%
Lao People's Democratic Republic	A	1,061.4	429.1	-60%
Maldives	A	582.1	763.8	31%
Mongolia	A	855.7	854.8	0%
Myanmar	A	1,026.5	954.7	-7%
Nepal	A	6,189.4	2,028.8	-67%
Pakistan	A	6,381.9	4,568.1	-28%
Samoa	A	96.3	51.7	-46%
Solomon Islands	A	263.1	111.6	-58%
Tuvalu	A	(15.6)	22.0	-241%
Vanuatu	A	78.9	90.1	14%
Subtotal category A		40,791.6	30,461.0	-25%
Fed. States of Micronesia	B	175.8	182.9	4%
Indonesia	B	2,864.6	2,290.8	-20%
Iran (Islamic Republic of)	B	2,280.8	1,791.4	-21%
Malaysia	B	372.5	174.5	-53%
Papua New Guinea	B	971.8	1,867.5	92%
Philippines	B	7,634.6	6,115.4	-20%
Viet Nam	B	4,503.4	4,820.9	7%
Subtotal category B		18,803.5	17,243.4	-8%
China	C	(2.9)	57.9	-2120%
Democr. People's Rep. of Korea	C	783.4	2,324.0	197%
Fiji	C	387.0	253.3	-35%
Sri Lanka	C	1,701.8	909.8	-47%
Thailand	C	1,815.6	1,472.2	-19%
Subtotal category C		4,685.0	5,017.1	7%
Azerbaijan	T	429.3	709.0	65%
Central Asian countries	T	310.0	928.6	200%
Kazakhstan	T	1,370.8	263.0	-81%
Kyrgyzstan	T	1,049.7	1,068.7	2%
Tajikistan	T	261.0	770.6	195%
Turkmenistan	T	139.4	772.9	454%
Uzbekistan	T	625.5	393.8	-37%
Subtotal countries w. economies in transition		4,185.7	4,906.6	17%
Cook Islands	O	107.4	76.8	-28%
Marshall Islands	O	161.8	250.1	55%
Niue	O	9.1	18.0	97%
Pacific Multi-Islands	O	1,010.7	694.9	-31%
Palau	O	182.6	43.8	-76%
Republic of Korea	O	7.2	0.0	-100%
Tokelau	O	12.4	21.4	73%
Tonga	O	174.5	53.0	-70%
Subtotal other countries		1,665.8	1,158.0	-30%
Country and territory projects total		70,131.5	58,786.0	-16%
Regional projects total		4,320.0	3,578.7	-17%
Asia and the Pacific Total		74,451.6	62,364.7	-16%

Table 7 (continued)

Project expenditures by country for 1996 and 1997
(Thousands of US dollars)

Country	Category *	1996	1997	Per cent change
Arab States				
Djibouti	A	233.2	362.2	55%
Egypt	A	2,624.9	3,143.0	20%
Somalia	A	36.9	596.3	1516%
Sudan	A	3,092.6	1,749.2	-43%
Yemen	A	3,225.8	2,226.0	-31%
Subtotal category A		9,213.4	8,076.8	-12%
Algeria	B	1,346.4	665.7	-51%
Iraq	B	(33.9)	139.5	-511%
Jordan	B	1,115.7	1,138.3	2%
Lebanon	B	1,006.0	298.2	-70%
Morocco	B	3,573.1	1,672.0	-53%
Syrian Arab Republic	B	1,504.9	2,215.0	47%
Tunisia	B	2,349.0	672.7	-71%
Subtotal category B		10,861.2	6,801.4	-37%
Bahrain	O	0.0	27.2	
Libyan Arab Jamahiriya	O	13.2	11.2	-16%
Oman	O	4.4	66.0	1399%
Occupied Palestinian Territories	O	738.0	1,791.4	143%
Subtotal other countries		755.6	1,895.7	151%
Country projects total		20,830.2	16,773.9	-19%
Regional projects total		752.1	1,514.4	101%
Arab States regional total		21,582.3	18,288.3	-15%
Europe				
Turkey	B	722.9	722.5	0%
Albania	T	391.8	242.1	-38%
Armenia	T	489.1	485.3	-1%
Belarus	T	13.6	24.9	83%
Bosnia and Herzegovina	T	394.2	242.6	-38%
Bulgaria	T	5.5	314.0	5651%
Croatia	T	106.5	0.0	-100%
Estonia	T	0.9	0.0	-100%
Georgia	T	9.6	899.2	9230%
Latvia	T	24.8	96.4	288%
Lithuania	T	18.0	23.6	31%
Moldova, Republic of	T	98.2	225.3	129%
Poland	T	142.4	225.8	59%
Romania	T	370.1	501.5	36%
Russian Federation	T	430.9	302.8	-30%
Ukraine	T	5.4	204.6	3687%
Subtotal countries with economies in transition		2,501.0	3,788.2	51%
Country projects total		3,223.9	4,510.7	40%
Regional projects total		1,209.7	1,183.6	-2%
Europe regional total		4,433.6	5,694.3	28%
Arab States and Europe grand total		26,015.9	23,982.6	-8%

Table 7 (continued)

Project expenditures by country for 1996 and 1997
(Thousands of US dollars)

Country	Category *	1996	1997	Per cent change
Latin America and the Caribbean				
Haiti	A	2,178.8	1,736.4	-20%
Nicaragua	A	2,028.9	2,714.7	34%
Subtotal category A		4,207.7	4,451.1	6%
Belize	B	55.8	65.7	18%
Bolivia	B	1,898.2	2,184.5	15%
Brazil	B	1,797.6	2,162.0	20%
Colombia	B	625.3	763.5	22%
Dominican Republic	B	1,197.3	1,480.9	24%
Ecuador	B	1,042.9	1,603.4	54%
El Salvador	B	612.2	969.9	58%
Guatemala	B	392.3	567.8	45%
Guyana	B	176.8	21.6	-88%
Honduras	B	1,399.6	1,492.2	7%
Jamaica	B	464.6	290.4	-37%
Mexico	B	1,720.3	1,791.8	4%
Paraguay	B	628.6	966.2	54%
Peru	B	2,413.9	3,091.6	28%
Saint Lucia	B	24.8	5.0	-80%
Saint Vincent and the Grenadines	B	8.6	21.1	146%
Trinidad and Tobago	B	0.1	0.0	-100%
Venezuela	B	372.6	463.7	24%
Subtotal category B		14,831.5	17,941.4	21%
Chile	C	387.7	135.5	-65%
Costa Rica	C	246.7	260.1	5%
Cuba	C	1,839.4	911.1	-50%
Panama	C	289.1	345.1	19%
Suriname	C	54.1	25.5	-53%
Uruguay	C	274.4	275.1	0%
Subtotal category C		3,091.4	1,952.4	-37%
Argentina	O	212.1	60.6	-71%
Antigua and Barbuda	O	9.7	0.0	-100%
Barbados	O	4.2	37.9	795%
Caribbean	O	538.2	591.0	10%
Dominica	O	83.5	1.3	-98%
Grenada	O	50.8	60.0	18%
Montserrat	O	0.0	0.0	-100%
Turks and Caicos Islands	O	3.1	0.0	-100%
Subtotal other countries		901.8	750.7	-17%
Country projects total		23,032.4	25,095.7	9%
Regional projects total		3,070.5	2,306.8	-25%
Latin America and the Caribbean regional total		26,103.0	27,402.5	5%
Interregional		24,155.7	26,081.0	8%
Regional projects		13,656.9	13,325.9	-2%
Category A		109,105.4	105,952.7	-3%
Category B		51,188.4	49,184.3	-4%
Category C		8,059.1	7,259.8	-10%
Countries with economies in transition		6,686.7	8,694.8	30%
Other countries		3,597.6	3,905.0	9%
Grand total		**216,449.8**	**214,403.5**	**-1%**

* Categorization of countries into group A, group B, group C, group T (countries with economies in transition) and group O (other countries) as defined in DP/FPA/1996/15.

Table 8

Biennial Support Budget

Comparison of 1996 and 1997 expenditure
(Thousands of US Dollars)

Description	1996	1997
Salaries and wages	40,143.7	44,211.9
Training	822.0	911.9
Travel on official business	1,593.7	1,620.2
Rental and maintenance of premises	3,895.7	4,569.5
Other general expenses	8,318.7	8,662.7
Reimbursements to UN/UNDP a_/	3,313.7	3,833.3
Gross total	58,087.5	63,809.4
Less: Credits b_/	5,336.0	5,500.2
Net Total	52,751.5	58,309.2

a_ / Includes contributions to cover field visits of the Executive Board.

b_ / Includes (1) credits earned from support charges assessed by UNFPA to Government-executed projects and (2) fees charged to projects for procurement activities, as well as (3) income derived from support costs charged to trust funds for the execution of projects administered by UNFPA.

Table 9

Trust Funds: Income and expenditure for 1996 and 1997
(Millions of US dollars)

	1996	1997	Per cent change
Income			
- Multi-bilateral projects	20.2	29.4	45.6%
- Procurement services	24.1	4.2	-82.6%
- Other trust funds	0.2	1.8	771.6%
Total income	44.5	35.3	-20.5%
Expenditure			
- Multi-bilateral projects	10.9	15.7	43.7%
- Procurement services	20.2	8.6	-57.4%
Other trust funds	0.3	2.5	665.0%
- Administrative and operational services	1.6	1.3	-20.3%
Total expenditure	33.1	28.1	-15.0%
Surplus income/(expenditure)	11.4	7.2	-36.6%
Transfers and adjustments	4.9	0.7	-85.7%
Net increase/(decrease) in unspent resources	16.3	7.9	-51.4%

Note: Figures may not add up to totals given due to rounding.

Table 10

Programme expenditures from trust funds by country for 1996 and 1997
(Thousands of US dollars)

Country	Category a/	1996	1997	Per cent change
Africa region (sub-Saharan)				
Angola	A	382.1	33.8	-91.2%
Benin	A	(19.0)	28.4	-249.3%
Burkina Faso	A	1,109.4	814.0	-26.6%
Burundi	A	172.8	(33.3)	-119.2%
Cape Verde	A	9.0	0.8	-91.2%
Chad	A	375.4	(21.7)	-105.8%
Eritrea	A	20.2	203.9	909.5%
Ethiopia	A	1,738.5	1,641.3	-5.6%
Gambia	A	47.4	21.9	-53.7%
Ghana	A	1,261.2	132.3	-89.5%
Guinea	A	0.0	520.7	
Guinea-Bissau	A	10.1	(35.0)	-446.2%
Malawi	A	0.0	305.4	
Mozambique	A	1,029.5	4,331.6	320.7%
Niger	A	703.7	267.0	-62.1%
Nigeria	A	0.2	0.0	-100.0%
Rwanda	A	0.0	0.0	
South Africa	A	0.0	283.8	
Uganda	A	1,485.2	17.8	-98.8%
United Republic of Tanzania	A	375.5	652.9	73.9%
Zambia	A	17.0	167.9	887.4%
Subtotal category A		8,718.2	9,333.7	7.1%
Namibia	B	41.4	79.6	92.4%
Zimbabwe	B	4.0	129.1	3127.2%
Subtotal category B		45.4	208.7	359.8%
Country trust funds total		8,763.4	9,542.4	8.9%
Regional trust funds total		(0.9)	0.0	-100.0%
Africa (sub-Saharan) regional grand total		8,762.5	9,542.4	8.9%
Arab States and Europe				
Egypt	A	35.1	260.4	641.7%
Yemen	A	6.5	46.1	610.0%
Subtotal category A		41.6	306.5	636.8%
Algeria	B	(40.8)	267.3	-755.1%
Morocco	B	253.4	119.8	-52.7%
Syrian Arab Republic	B	206.4	2.6	-98.7%
Tunisia	B	54.7	187.1	242.0%
Subtotal category B		473.7	576.8	21.8%
Romania	T	154.5	627.6	306.2%
Occupied Palestinian Territories	O	0.0	37.4	
Oman	O	2.4	3.7	56.2%
Subtotal other countries		2.4	41.1	1612.6%
Country trust funds total		672.2	1,551.9	130.9%
Regional trust fund total		79.1	367.6	364.8%
Arab States and Europe regional grand total		751.3	1,919.6	155.5%

Table 10 (continued)

Programme expenditures from trust funds by country for 1996 and 1997
(Thousands of US dollars)

Country	Category a/	1996	1997	Per cent change
Asia and the Pacific				
Bangladesh	A	8,918.7	5,046.9	-43.4%
Cambodia	A	106.7	100.8	-5.5%
Kiribati	A	0.0	8.6	
Lao People's Democratic Republic	A	0.0	8.1	
Maldives	A	0.0	144.9	
Mongolia	A	33.6	0.0	-100.0%
Nepal	A	904.1	820.4	-9.3%
Pakistan	A	5,063.2	1,405.8	-72.2%
Samoa	A	0.0	45.7	
Solomon Islands	A	113.2	101.8	-10.1%
Tuvalu	A	97.8	14.7	-84.9%
Vanuatu	A	69.3	10.3	-85.2%
Subtotal category A		15,306.6	7,708.0	-49.6%
Fed. States of Micronesia	B	0.0	2.3	
Papua New Guinea	B	22.5	31.2	38.5%
Philippines	B	283.2	2,031.7	617.4%
Viet Nam	B	(12.4)	545.4	-4498.2%
Subtotal category B		293.3	2,610.5	790.1%
China	C	0.6	0.0	-100.0%
Fiji	C	166.1	98.7	-40.6%
Sri Lanka	C	1,924.0	189.2	-90.2%
Thailand	C	0.0	0.0	
Subtotal category C		2,090.7	287.9	-86.2%
Central Asian countries	T	150.3	752.3	400.5%
Cook Islands	O	14.5	61.8	325.9%
Marshall Islands	O	0.0	24.8	
Pacific Multi-Islands	O	112.4	85.0	-24.4%
Palau	O	10.4	66.1	535.3%
Tonga	O	0.0	44.0	
Subtotal other countries		137.3	281.6	105.1%
Country trust funds total		17,978.1	11,640.4	-35.3%
Regional trust funds total		0.0	266.9	
Asia and the Pacific regional grand total		17,978.1	11,907.3	-33.8%
Latin America and the Caribbean				
Haiti	A	162.2	424.5	161.7%
Nicaragua	A	182.2	745.7	309.3%
Subtotal category A		344.4	1,170.2	239.8%
Bolivia	B	124.5	255.1	104.9%
Brazil	B	(55.1)	0.0	-100.0%
El Salvador	B	0.0	110.6	
Honduras	B	15.8	4.2	-73.6%
Jamaica	B	0.0	89.0	
Mexico	B	0.0	0.0	
Peru	B	87.5	0.3	-99.7%
Subtotal category B		172.7	459.1	165.9%
Turks and Caicos islands	O	0.0	3.5	
Country trust funds total		517.1	1,632.8	215.8%
Regional trust funds total		0.0	267.8	
Latin America and the Caribbean regional grand total		517.1	1,900.6	267.6%

Table 10 (continued)

Programme expenditures from trust funds by country for 1996 and 1997
(Thousands of US dollars)

Summary	Category a_/	1996	1997	Per cent change
Regional projects		78.2	902.4	1053.9%
Category A		24,410.8	18,518.4	-24.1%
Category B		985.1	3,855.2	291.3%
Category C		2,090.7	287.9	-86.2%
Countries with economies in transition		304.8	1,379.9	352.7%
Other countries		139.7	326.2	133.5%
Country & regional subtotal		**28,009.3**	**25,269.9**	**-9.8%**
Interregional		**5,087.1**	**2,838.8**	**-44.0%**
Trust funds grand total b_/		**33,076.4**	**28,108.7**	**-15.0%**

a_/ Categorization of countries into group A, group B, group C, group T (countries with economies in transition) and group O (other countries) as defined in DP/FPA/1996/15.

b_/ Includes administrative and operational services (AOS) costs paid to United Nations agencies amounting to $77,110 in 1996 and $102,769 in 1997. Support costs paid to UNFPA totaled $1,505,169 in 1996 and $1,157,720 in 1997.

Table 11

Historical financial summary

Regular resources income, expenditures and reserves for 1988-1997

(Millions of US dollars)

Year	Total new regular resources a_/	Total expenditures b_/	Addition to reserves	Transfer to/from other funds	Resource surplus/ (deficit)	Unspent programme resources at year end	Balance of Reserves	Total reserves and unspent resources
1988	178.0	167.3	3.0	-	7.7	31.9	40.0	71.9
1989	185.2	203.6	5.0	-	(23.4)	8.5	45.0	53.5
1990	212.4	221.3	-	-	(8.9)	(0.4)	45.0	44.6
1991	224.0	229.1	-	-	(5.1)	(5.5)	45.0	39.5
1992	238.2	193.6	5.5	-	39.1	33.6	50.5	84.1
1993	219.6	203.5	2.5	-	13.6	47.2	53.0	100.2
1994	265.3	274.4	5.0	-	(14.1)	33.1	58.0	91.1
1995	312.6	312.1	10.0	-	(9.5)	23.7	68.0	91.7
1996	308.8	300.3	-	5.0	3.5	27.2	68.0	95.2
1997	289.7	303.6	-	1.7	(15.6)	11.5	68.0	79.5

Note: Figures may not add up to totals due to rounding.

a_/ Total new regular resources include income from contributions, interest and miscellaneous income.

b_/ Expenditure for 1997 includes the provision for write-off of non-convertible currencies, $30,000.

Table 12

Project expenditures, agency support costs and biennial support budget costs, 1988-1997
(Millions of US dollars)

Year	Project Expenditures	Agency Support Costs			Biennial Support Budget Costs		Total expenditures
		UN	UNFPA a_/	NGOs	Headquarters	Field Offices b_/	
1988	129.8	8.4	1.7	0.6	17.0	9.7	167.3
1989	157.4	10.9	2.0	1.2	20.5	11.6	203.6
1990	188.9	10.9	2.4	1.3	22.2	15.6	221.3
1991	171.8	11.1	2.2	1.7	23.6	18.7	229.1
1992 c_/	128.2	17.5	4.3	1.0	23.8	18.8	193.6
1993 c_/	134.3	15.1	7.4	1.6	24.6	20.5	203.5
1994 c_/	201.4	15.7	10.5	1.6	23.4	21.8	274.4
1995 c_/	230.9	18.1	11.6	1.3	24.8	25.4	312.1
1996 c_/	216.5	17.1	12.7	1.3	25.2	27.6	300.3
1997 c_/	214.4	16.6	13.0	1.4	28.6	29.7	303.6

Source: UNFPA year-end Audited Financial Statements for 1988 to 1995, and Unaudited Financial Statements for the years 1996 and 1997. Official Records of the General Assembly: Forty-second Session to Fifty-first Session, Supplements No. 5G(A/42/5/Add.7 to A/51/5/Add.7).

a_/ This category comprises, inter alia, support costs to UNFPA for procurement services provided and overhead charges assessed by UNFPA to Government-executed projects. Beginning with the biennium 1986-1987, these support cost credits have been applied to to the support budget as approved by the Governing Council in decision 86/35, paragraph 10. (In previous years these costs were included under programme expenditures.)

b_/ In 1985, and prior years, all field costs were included in programme expenditures. Beginning with the biennial support budget for 1986-1987 the support budget expenditure is net of credits reported in footnote 2 of the text (see para. 12). In 1986 and 1987 the salary costs of UNFPA international field office staff were included in the support budget, and all other costs of the UNFPA field offices were reported under programme expenditures. Since January 1988, all field office costs are included in the support budget.

c_/ The current successor support-cost arrangements began in 1992. A breakdown of technical support services (TSS) costs and administrative and operational services (AOS) costs for United Nations agencies, UNFPA and NGOs, including intergovernmental institutions and other agencies, is contained in table 6.

Table 13

Biennial support budget costs as a percentage of total income and total expenditure 1988-1997
(Millions of US dollars)

Year	Biennial Support Budget (B.S.B.) a_/			Total income	B.S.B. costs as a percentage of total income	Administrative costs as a percentage of total income	Total expenditures	B.S.B. costs as a percentage of total expenditure	Administrative costs as a percentage of total expenditure
	Administrative Cost (Net)	Programme Support Services	Total b_/						
1988	8.8	17.9	26.7	178.0	15.0	4.9	167.3	16.0	5.3
1989	11.5	20.6	32.1	185.2	17.3	6.2	203.6	15.8	5.6
1990	12.4	25.4	37.8	212.4	17.8	5.8	221.3	17.1	5.6
1991	12.3	30.0	42.3	224.0	18.9	5.5	229.1	18.5	5.4
1992	13.1	29.5	42.6	238.2	17.9	5.5	193.6	22.0	6.8
1993	13.3	31.8	45.1	219.6	20.5	6.1	203.5	22.2	6.5
1994	11.0	34.2	45.2	265.2	17.0	4.1	274.4	16.5	4.0
1995	12.6	37.6	50.2	312.6	16.1	4.0	312.1	16.1	4.0
1996	13.3	39.5	52.8	308.8	17.1	4.3	300.3	17.6	4.4
1997	15.3	43.0	58.3	289.7	20.1	5.3	303.6	19.2	5.1

Source: UNFPA year-end Audited Financial Statements for 1988 to 1995, and Unaudited Financial Statements for the years 1996 and 1997. Official Records of the General Assembly: Forty-Second Session to Fifty-first Session, Supplements No. 5G(A/42/5/Add.7 to A/51/5/Add.7)

a_/ See paragraph 12, footnote 3.

b_/ In 1985, and prior years, all field costs were included in programme expenditures. Beginning with the biennial support budget for 1986-1987 the support budget expenditure is net of credits reported in footnote 2 of the text (see para. 12). In 1986 and 1987 the salary costs of UNFPA international field office staff were included in the support budget, and all other costs of the UNFPA field offices were reported under programme expenditures. Since January 1988, all field office costs are included in the support budget.

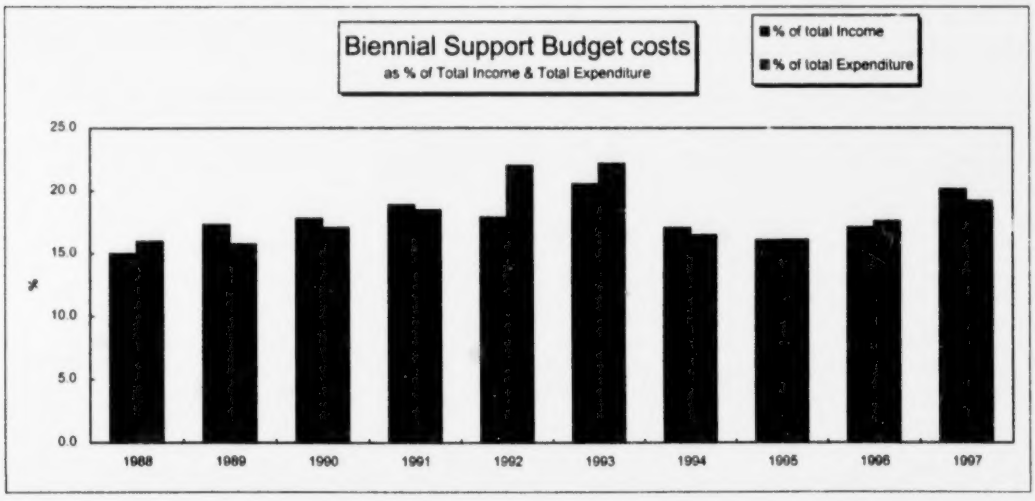


Table 14

Income and expenditure under UNFPA trust funds, 1988 - 1997
(Millions of US dollars)

Year	Total income a_/	Programme expenditure b_/	Support costs paid to UNFPA c_/	Total Expenditure
1988	11.8	5.9	0.2	6.1
1989	7.3	6.1	0.1	6.2
1990	11.8	11.1	0.2	11.3
1991	8.2	11.3	0.2	11.5
1992	43.1	38.2	1.6	39.8
1993	26.6	17.3	0.5	17.8
1994	63.9	57.0	2.8	59.8
1995	33.1	31.8	1.5	33.3
1996	49.3	31.6	1.5	33.1
1997	36.0	27.0	1.2	28.1

Source: UNFPA year-end Audited Financial Statements for 1987 to 1995, and Unaudited Financial Statements for the years 1996 and 1997. Official Records of the General Assembly: Forty-second Session to Fifty-first Session, Supplements No. 5G(A/42/5/Add.7 to A/51/5/Add.7).

a_/ Includes transfers and adjustments (see tables 1 and 9).

b_/ Includes administrative and operational services (AOS) costs paid to United Nations executing agencies of $77,110 in 1996 and $102,769 in 1997.

c_/ Includes UNFPA income derived from support costs charged to trust funds for the execution of projects administered by UNFPA.

Figure 1

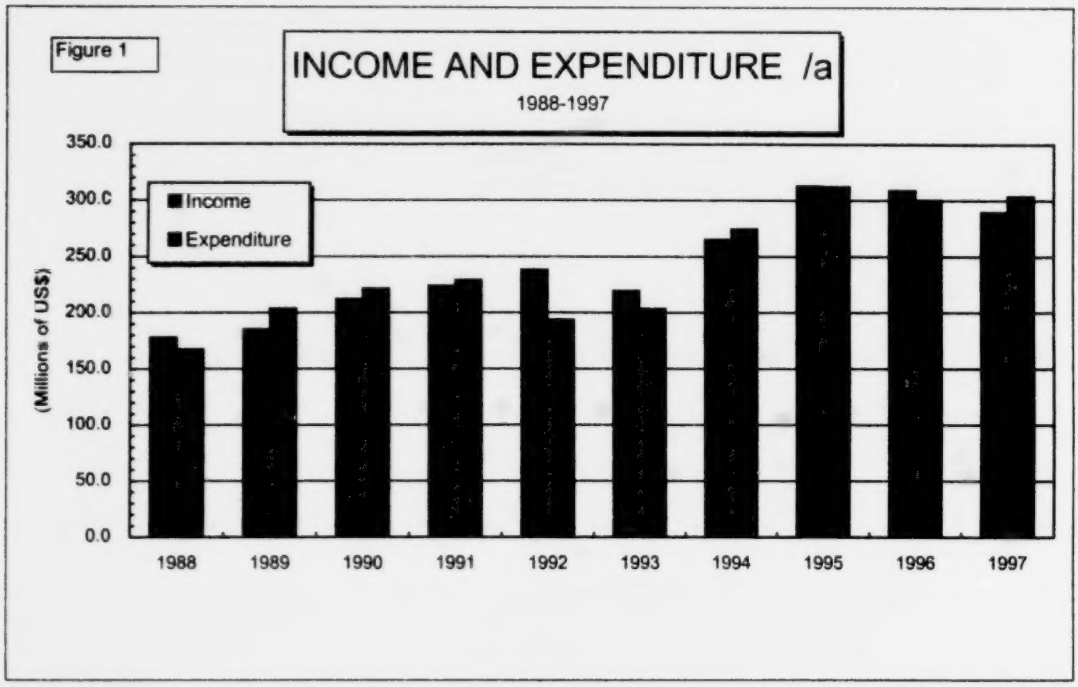


Figure 2

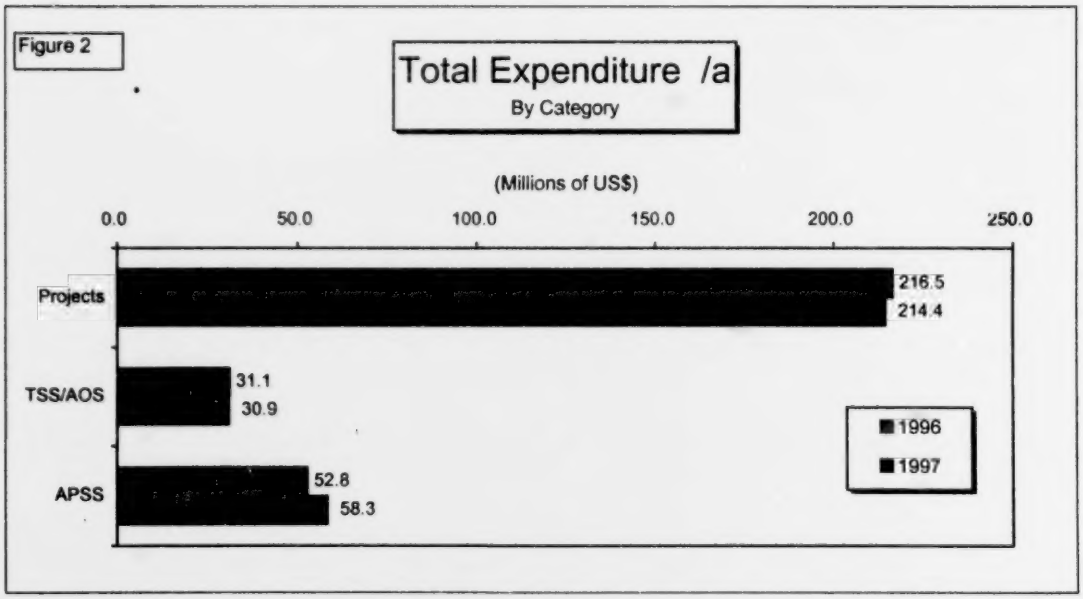


Figure 3

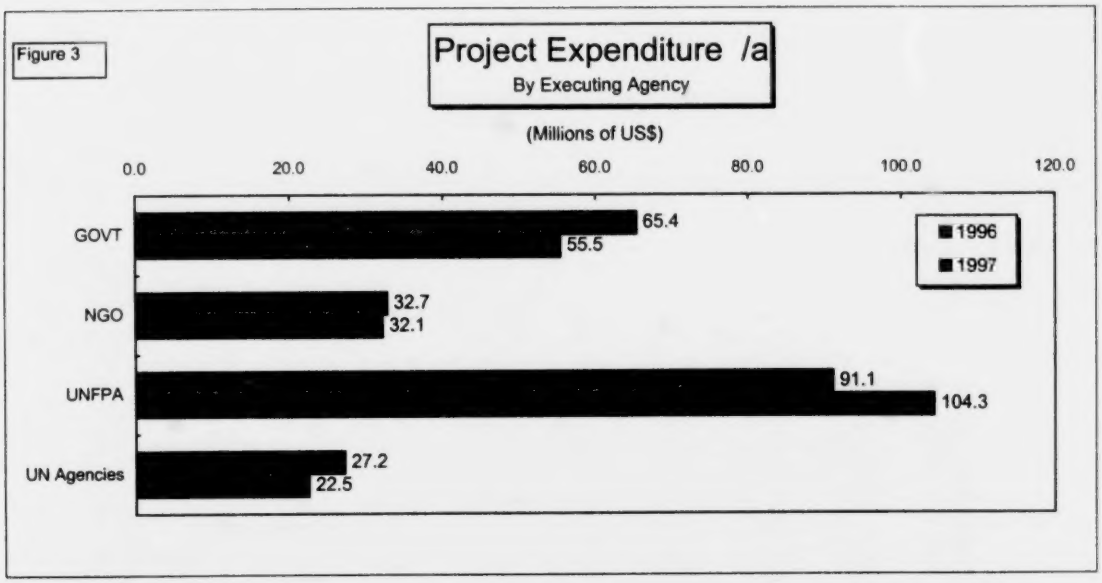
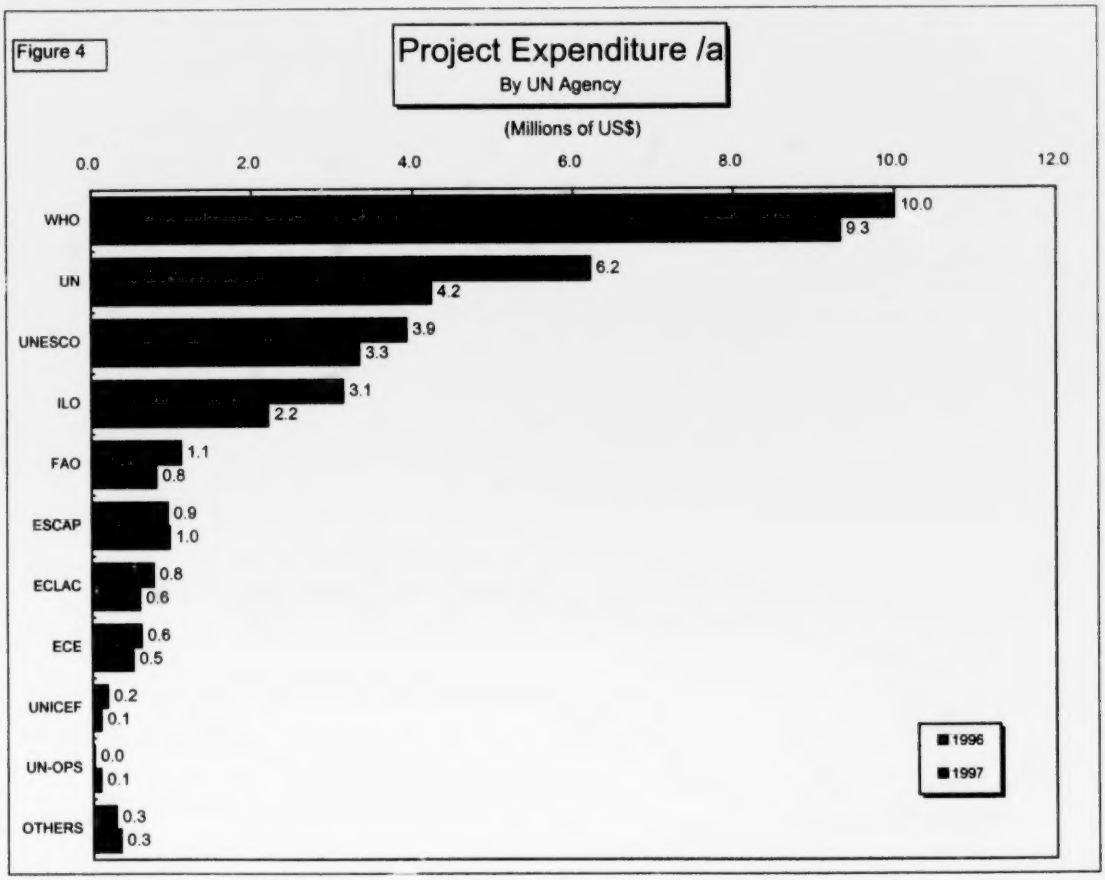
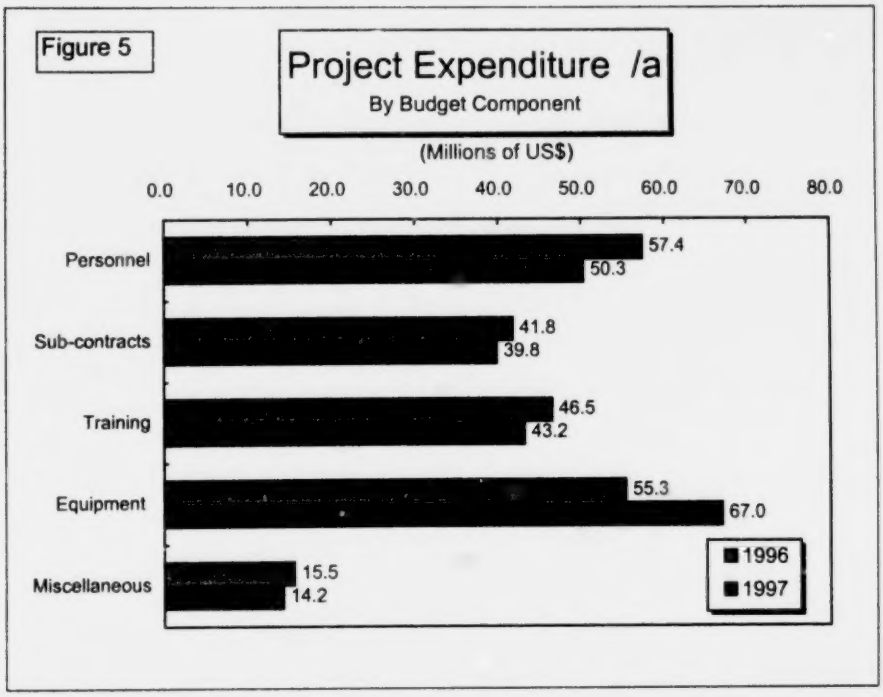
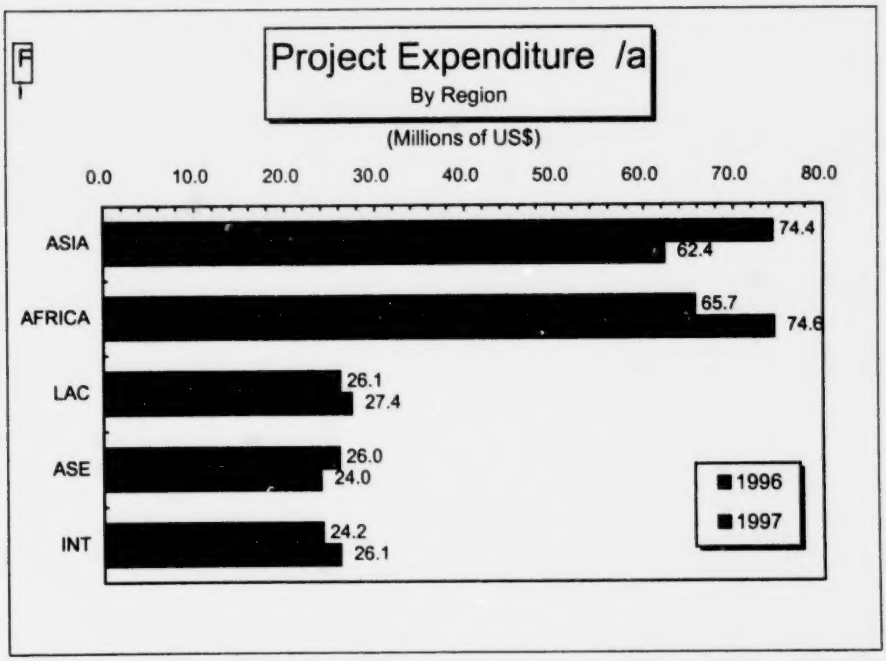


Figure 4







/a Figures 1 through 6 relate to UNFPA regular resources only

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UNITED NATIONS **DP**

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

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UNITED NATIONS POPULATION FUND

REVISION OF FINANCIAL REGULATIONS

Report of the Executive Director

1. The Financial Regulations of the United Nations Population Fund were adopted by the Governing Council at its thirtieth session, as contained in paragraph 3 of decision 83/17 of 24 June 1983. The regulations were subsequently amended by decisions 84/21, 90/36, 92/33 and 93/29, at the Council's thirty-first, thirty-seventh, thirty-ninth, and fortieth sessions, respectively, and by decision 97/7 at the Executive Board's second regular session 1997. The Executive Director hereby submits to the Executive Board, for its approval, revisions to existing regulations concerning the biennial support budget. These revisions were made necessary as a result of the harmonization of budgets by UNDP, UNFPA and UNICEF (see document DP/1997/2), in order to reflect the new terminology and structural modifications agreed to amongst the three organizations and approved by the Executive Board at its first regular session 1997.

2. The Executive Director also submits to the Board, for its approval, revisions to the financial regulations concerning procurement. These revisions arose out of the work of the Procurement Working Group of the Common Services Initiative, which is part of the reform initiative of the Secretary-General and in which UNFPA is playing an active part. The Executive Director proposes to replace current financial regulation 14.5 with an entirely new text and to add a further regulation that denotes the fundamental general principles governing procurement. This will become new regulation 14.6. Existing regulations 14.6 and 14.7 will thus be re-numbered as 14.7 and 14.8 respectively.

3. The revisions required to the financial regulations are detailed below. For ease of identification, revisions and additions to the text are shown in bold typeface and deletions are shown with a line through the text to be deleted.

Regulation 4.14: All income to UNFPA shall be classified as miscellaneous income, except:

(a) The income from the items specified in Regulations 4.1 through **4.13**;
(b) Interest income
(c) Direct refunds of expenditures in respect of projects during the approved duration of a project, i.e., before the final allocation for UNFPA assistance to a project is made;
(d) Direct refunds of expenditures in respect of the biennial **support** budget during the current biennium;
(e) Advances or deposits to trust funds;
(f) Revenue derived from the staff assessment plan; and
(g) Amounts otherwise designated to be credited to the biennial support budget, including, inter alia, income derived from UNFPA support costs and net income or expenditure related to procurement services provided to third parties.

Regulation 5.4: Funds received by UNFPA under Regulation 14.6 for procurement of supplies, equipment and services on behalf and at the request of Governments, specialized agencies or other intergovernmental or non-governmental organizations shall be treated as trust funds. **The income related to procurement services provided to third parties shall be used to meet the direct cost of these services. At the close of a biennium, any excess of income or expenditure shall be credited or debited to the biennial support budget.**

Regulation 8.7: Executing agencies authorized by the Executive Board may be reimbursed for their support costs up to levels determined by the **Executive Board** ~~Governing Council~~. **Income earned by UNFPA through the recovery of support costs shall be credited to the biennial support budget.**

Article IX - BIENNIAL **SUPPORT** BUDGET

Form of the proposed biennial **support** budget

Regulation 9.7: The proposed biennial **support** budget shall be **prepared in accordance with the guidelines contained in document DP/1997/2, "Harmonization of Budgets: UNDP, UNFPA and UNICEF" and any revisions thereto** ~~divided into programmes and programme components~~, and shall be accompanied by such information annexes and explanatory statements as may be requested by the Executive Board or as the Executive Director may deem necessary and useful.

Regulation 13.6: Income derived from placement of funds other than trust funds shall be credited to **the UNFPA Account** ~~miscellaneous income under the terms of Regulation 4.13~~. Income derived from investments of trust funds shall be credited in accordance with the terms and conditions of the trust funds concerned.

4. The only change required to the following regulations is the introduction of the term, "biennial **support** budget":

Regulation 2.2
Regulation 6.4
Regulation 7.3
Regulation 9.1
Regulation 9.2
Regulation 9.3
Regulation 9.4
Regulation 9.6
Regulation 9.8
Regulation 9.9
Regulation 11.1
Regulation 11.2
Regulation 14.2
Regulation 16.1

5. The following revisions refer to Procurement and Management of Property as well as to general principles governing procurement.

Article XIV - INTERNAL CONTROL

Regulation 14.5: **The Executive Director is responsible and accountable for carrying out the procurement functions of UNFPA and for managing its property effectively and efficiently, in furtherance of the mandate and activities of UNFPA.**

(a) The procurement functions of UNFPA include all actions necessary for the acquisition, by purchase or lease, of goods, real property and services, including construction.

(b) The management of property includes all actions necessary for receipt, maintenance and disposal of property of UNFPA.

(c) The Executive Director may delegate authority, as appropriate, for such procurement functions and management of property.

Regulation 14.6: **The following general principles shall be given due consideration in carrying out the procurement functions of UNFPA:**

(a) Best value for money considering all relevant factors, including costs and benefits to UNFPA;

(b) Fairness, integrity and transparency;

(c) Open and effective international competition; and

(d) The interest of UNFPA.

Regulation 14.7: Supplies, equipment and services may be provided by UNFPA under procurement arrangements on behalf and at the request of Governments, specialized agencies or other intergovernmental or non-governmental organizations, where such supplies, equipment and services are required for purposes related to UNFPA activities and are consistent with the aims and policies of UNFPA, on the basis of full payment in advance of the procurement activities, to cover all costs, including insurance and service fees, connected with the procurement of such supplies, equipment and services.

Regulation 14.8: In conformity with Executive Board decision 96/3, UNFPA may procure and hold stocks of essential contraceptive products in order to promptly respond to emergency requests for assistance. The inventory value of these stock holdings shall be shown in the accounts as an asset.

UNITED NATIONS **DP**

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

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UNITED NATIONS POPULATION FUND

A REVIEW OF MULTI-BILATERAL TRUST-FUND ARRANGEMENTS

Report of the Executive Director

1. This report has been prepared in response to decision 97/26, in which the Executive Board recommended that the Executive Director undertake a review of multi-bilateral trust-fund arrangements and report thereon to the Executive Board at its third regular session in 1998 (para. 9).

2. To cover the main elements of UNFPA's multi-bilateral funding and cost-recovery approach as concisely as possible, this report is organized into five parts: Part I provides a brief introduction to the origins of, and rationale for, multi-bilateral funding; part II gives a historical overview, showing current trends and information on major multi-bilateral donors; part III furnishes a brief explanation of how multi-bilateral funding is carried out in UNFPA and some lessons learned; part IV discusses managerial and support services carried out by UNFPA units; and part V provides information on the cost-recovery process, specifically the cost-recovery mechanisms for regular programmable and multi-bilateral (co-financing) arrangements. Part V concludes with the Executive Director's recommendations for undertaking full cost recovery for (a) the managerial and support services (MS) costs for handling multi-bilateral (co-financing) activities, and (b) the administrative and operational support (AOS) costs for UNFPA execution of multi-bilateral projects.

I. INTRODUCTION

3. In January 1976, the Governing Council approved UNFPA's multi-bilateral funding proposal as contained in document DP/161. The report outlined the guiding principles and financial arrangements of multi-bilateral funding; the funding modality to be used, i.e., trust-fund arrangements; and the procedures for undertaking multi-bilateral funding. In its decision 76/2, dated 21 January 1976, the Council authorized UNFPA to apply a service charge for UNFPA or executing agency costs. In decision 93/29, the Governing Council approved new financial regulations authorizing UNFPA to use cost-sharing arrangements, as well as trust funds to undertake multi-bilateral funding.

4. Multi-bilateral contributions are received from donor and programme recipient countries, financial institutions, non-governmental organizations (NGOs), and foundations and are used for specific population activities that cannot be accommodated from UNFPA's general resources. However, from the beginning, the Fund has viewed multi-bilateral funding as a small, albeit important, supplement to its general resources. Such funding was to be used only as an alternate funding modality. This policy has been consistently maintained over the years as UNFPA's prime resource mobilization objective has been, and continues to be, to increase contributions to general resources. This policy was recently reiterated in sections I, V and VI of UNFPA's funding strategy document, DP/FPA/1998/CRP.2, which was submitted to the Executive Board at its second regular session, 1998.

5. The guiding principles for multi-bilateral funding have essentially remained the same as when they were first set forth in document DP/161 in 1976. It therefore may be useful to recapitulate them:

(a) Multi-bilateral projects are to be undertaken only with the consent of the recipient country;

(b) Multi-bilateral funding is to be carried out for the purpose of financing those priority needs identified in the country/regional/interregional programmes for which general resources are found to be insufficient. Thus, multi-bilateral activities are to form an integral component of UNFPA's regular programme support approved by the Board. However, in accordance with the Fund's Financial Regulations and Rules, the multi-bilateral portion will not start until such funds are received;

(c) Multi-bilateral projects should be compatible with UNFPA's general policies and with the Fund's aims and purposes, as approved by the General Assembly and the Economic and Social Council; these may include projects that have health, social welfare or other broader development objectives but are linked to population activities. UNFPA might fund only the part directly related to population, and the rest of the programme may be submitted for other bilateral or multilateral funding;

(d) Multi-bilateral funding should be designed to enlarge the volume of population assistance to countries;

(e) The volume of funds available for pledging to the general resources of UNFPA should not be adversely affected as a result of multi-bilateral support;

(f) Multi-bilateral projects are to be assessed under UNFPA's normal project approval procedures. Additionally, UNFPA is responsible for monitoring and evaluating multi-bilateral projects and reporting on them in accordance with standard monitoring and evaluation procedures and UNFPA's financial rules and regulations;

(g) The management and coordination of multi-bilateral projects is considered more complex than other projects funded by UNFPA, and therefore careful attention must be given to the management aspect of such projects.

6. Over the last two decades, the above guiding principles have worked very well and have helped UNFPA achieve the following major objectives: (a) bring additional funding to population activities; (b) keep multi-bilateral funds as a supplement to the Fund's general resources; and (c) ensure that multi-bilateral funding is not used at the expense of support for general resources.

II. HISTORICAL OVERVIEW AND TRENDS

7. Multi-bilateral funding started very modestly in 1976 with a contribution of approximately $500,000 from Sweden for a family planning project in Mexico. From 1976 to the mid-1980s, contributions to multi-bilateral projects ranged between $1 million and $3 million per year. However, in 1986, mainly as a result of the growing imbalance between increasing requests from developing countries for population assistance and the lack of UNFPA's general resources, multi-bilateral funding emerged as an important part of UNFPA's programming at the country level. The evolution of multi-bilateral funding is best illustrated by the fact that in 1985 only one of UNFPA's proposed country programmes included a proposal for multi-bilateral assistance ($1.2 million of a proposed total country programme requirement that year of $136.0 million). By 1987, 30 out of 32 country programmes included a provision for multi-bilateral support. By 1993, all the country programmes submitted for approval included a requirement for multi-bilateral assistance, a trend that has continued since then. As noted in section II of DP/FPA/1998/CRP.2, the multi-bilateral component of currently approved country programmes is $202.0 million. Of this amount, $134.0 million, or 67 per cent, is envisaged for category A priority countries.

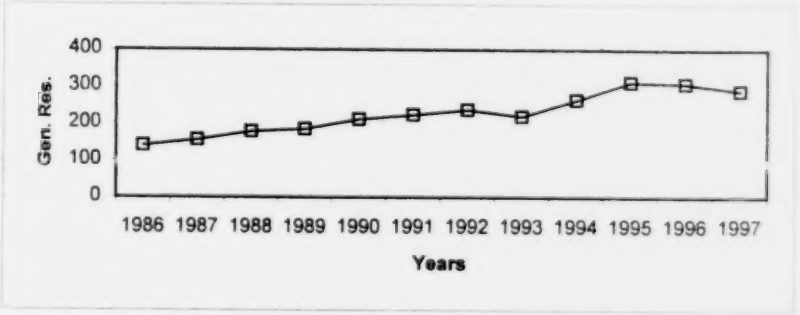
8. Table 1, including graphs 1 and 2, provides a summary of UNFPA's general and multi-bilateral resources for the period 1986 to 1997. During this time period, total income amounted to about $2.9 billion, with approximately $148 million, or 5 per cent of the total, for multi-bilateral support. This shows that UNFPA has been able to maintain its policy of keeping multi-bilateral

Table 1 - UNFPA Resources, 1986 - 1997
(In millions of United States dollars)

Resources	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	Total
General Resources	140	156	178	185	212	224	238	220	265	313	309	290	2,730
Multi-bi	4	4	11	6	10	8	12	16	14	16	20	29	150
Total Resources	144	160	189	191	222	232	250	236	279	329	329	319	2,880
Multibi as % of Total Resources	3	3	6	3	5	3	5	7	5	5	6	9	5

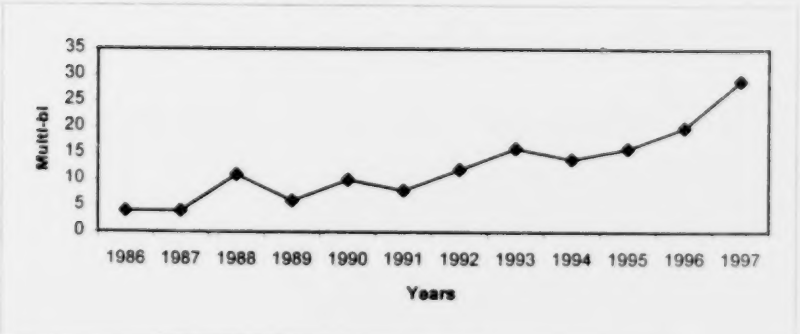
Graph 1 -
(in millions $)

General Resources



Graph 2 -
(in millions $)

Multi-bi



funding as a small supplement to general programmable resources. Table 1 also shows annual multi-bilateral funding as a percentage of general resources. In 1997, multi-bilateral contributions increased substantially over 1996. This factor, plus the small decrease in 1997 general resources, resulted in an increase in multi-bilateral income to 9 per cent of total resources. For 1998, multi-bilateral income is projected at around $25 million, or 8 per cent of total resources.

9. Table 2 lists multi-bilateral donors and their contributions for the last three years (1995 to 1997). The largest contributors during this period have been: Norway, the Netherlands, Australia, the United Kingdom, Belgium, and Sweden. During the last few years, Germany, Italy, Luxembourg and Spain have increased their multi-bilateral support. France has also recently informed UNFPA of its interest to make a substantial contribution to multi-bilateral projects in Africa in 1998-1999. In terms of intergovernmental organizations, the European Commission (EC) made a four-year commitment, in 1997, of over $30 million for reproductive health projects in Asia. The European Community also is supporting multi-bilateral projects in Africa, the Arab States and Central America. Additionally, the Arab Gulf Fund for Development (AGFUND) continues to make regular multi-bilateral contributions.

10. Table 3 and graph 3 provide information on the regional distribution of multi-bilateral funding in 1997. The largest allocation of multi-bilateral funds was for Africa with 58 per cent of the total, or approximately $15.9 million. This trend is expected to continue for the foreseeable future.

III. MANAGING MULTI-BILATERAL FUNDING AND LESSONS LEARNED

11. Since multi-bilateral resources were a small component of UNFPA's total resources from 1976 into the early 1980s, multi-bilateral operations were initially handled directly by existing units of UNFPA. However, as multi-bilateral contributions increased and the workloads to manage and administer them became more complex and labour intensive, the need to provide a more systematic, cross-divisional approach became apparent. In late 1987, the Executive Director established the Resource Development Unit, later renamed the Resource Development Branch, which, among other resource mobilization functions, was given the responsibility to coordinate the multi-bilateral process at headquarters and in the field. This organizational change was later followed in 1990 by the development of a comprehensive set of guidelines for undertaking multi-bilateral funding. These guidelines put together existing instructions and practices related to UNFPA's multi-bilateral financing in a more functional and coherent manner.

Table 2: Multi-bilateral Contributions from Major Donors 1995-1997

(Millions in US Dollars)

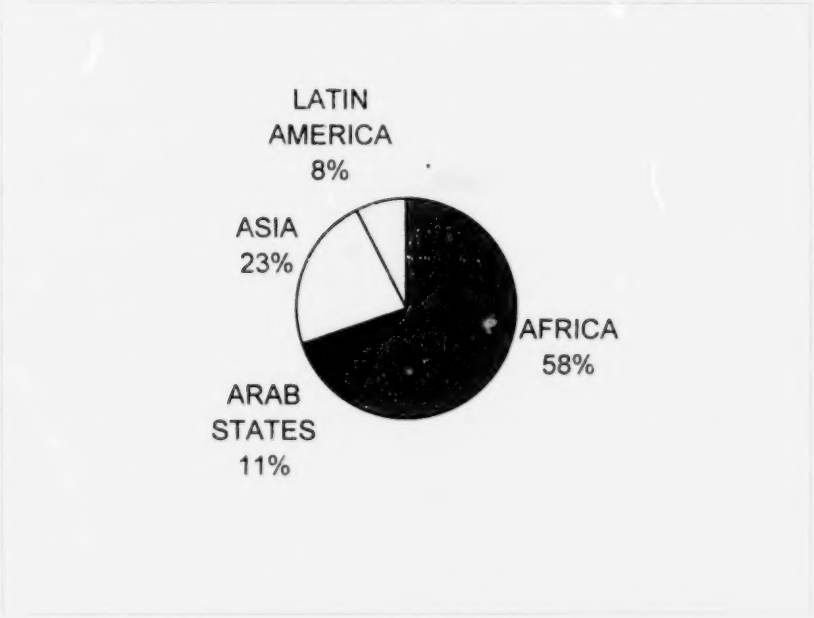
Trust Funds	1995	1996	1997	Total
AGFUND	125,000	217,000	529,000	871,000
Australia	2,562,000	2,591,000	227,000	5,380,000
Austria				-
Belgium	1,155,000	585,000	530,000	2,270,000
Canada	161,000	375,000	731,000	1,267,000
Canadian Public Health Association			902,000	902,000
Denmark			458,000	458,000
EEC	-	197,000	5,360,000	5,557,000
Finland				-
France				-
Germany		507,000		507,000
Italy			1,772,000	1,772,000
Luxembourg	926,000		255,000	1,181,000
Netherlands	1,076,000	3,458,000	5,876,000	10,410,000
Norway	4,864,000	6,155,000	6,898,000	17,917,000
Spain	319,000	819,000	371,000	1,509,000
Sweden	485,000		1,153,000	1,638,000
Switzerland	17,000	47,000		64,000
United Kingdom	1,051,000	1,890,000	2,379,000	5,320,000
Others	3,260,000	3,359,000	1,959,000	8,578,000
TOTAL	16,001,000	20,200,000	29,400,000	65,601,000

Table 3: Regional Distribution of Multi-bilateral Funds in 1997

(Millions in US Dollars)

AFRICA	15,973,000
ARAB STATES	3,133,000
ASIA	6,265,000
LATIN AMERICA	2,063,000
TOTAL	27,434,000

Graph 3: Regional Distribution



12. As noted above, multi-bilateral funding (co-financing) is undertaken within UNFPA as a cross- divisional process wherein the workload is shared by several units. Each unit has a specific function to perform in order to ensure that the multi-bilateral arrangement progresses effectively from one stage to the next. In addition to the Resource Development Branch, multi-bilateral focal points have been assigned in each of the concerned units to provide the overall managerial, financial, administrative and procurement services needed to support the multi-bilateral co-financing modality. Two of the most important and time-consuming functions in this process are the preparation of multi-bilateral agreements and the management of financial and substantive inputs in conformity with the provisions of these agreements. UNFPA country offices, especially the UNFPA Representatives, together with the Resource Development Branch, the Finance Branch, the focal points in the Geographical Divisions and other headquarters units, are required to devote considerable time communicating on financial and substantive inputs involving the preparation of multi-bilateral projects and multi-bilateral agreements; the timely and adequate payment of multi-bilateral contributions; the preparation of project budgets and corresponding allocations; the assurance of transparency and accountability; and the preparation of complete and accurate financial and substantive reports. Another important support service is provided by UNFPA's Procurement Branch, which combines technical expertise and operational knowledge in procuring quality equipment and supplies for the best prices and optimal maintenance and service arrangements, while factoring in the advantages and disadvantages of local versus international procurement. The country offices and corresponding Geographical Divisions, in particular, need to manage the activities, monitor their implementation and frequently report on their progress.

13. The recent decentralization of official development assistance (ODA) by a number of major multi-bilateral donors to their embassies in programme countries has introduced a new dynamic in the way multi-bilateral funding is handled within UNFPA. This recent shift of emphasis by donors to the field has required UNFPA's Representatives and their staff to become more actively involved in contacting potential donors and providing the necessary administrative support services for the day-to-day management of the portfolio of multi-bilateral-assisted projects. UNFPA headquarters is having to make adjustments as well. In light of these recent developments, work on revising the 1990 guidelines was set in motion in early 1997 as part of a UNFPA effort to formulate new general programme guidelines. It is expected that the new guidelines on multi-bilateral funding will be issued by the end of 1998.

14. In terms of lessons learned since 1976, the following points are worth noting:

(a) Multi-bilateral funding is an important co-financing vehicle because it allows donors to devote bilateral funding to specific projects in country programmes;

(b) Multi-bilateral resources have filled funding gaps for a significant number of aid-worthy projects that otherwise could not have been implemented;

(c) The multi-bilateral process has contributed to increasing communications between UNFPA and the donor community not only on multi-bilateral matters but on other issues as well. For example, the annual consultations that the Fund now has with many of its major donors, intended originally to discuss multi-bilateral issues, has evolved into a much broader bilateral donor/UNFPA forum. This has in many ways resulted in a better dialogue and understanding between UNFPA and its donors;

(d) The multi-bilateral process has provided a window of opportunity for the Fund to work closely with bilateral donors not only for increasing resources to UNFPA but also for furthering the coordination of technical assistance. This has helped strengthen UNFPA's coordination role in the field;

(e) Internal UNFPA collaboration on multi-bilateral funding has produced good examples of in-house team work that has carried over to other programming exercises;

(f) The multi-bilateral process is inherently very labour-intensive and communications-driven. Considerable amounts of staff time both in UNFPA country offices and at headquarters are devoted to providing the managerial and substantive support needed to effectively monitor multi-bilateral projects;

(g) The workload required to manage and administer multi-bilateral assistance has increased significantly since 1992. Currently, UNFPA, through the Resource Development Branch, is monitoring 150 multi-bilateral project agreements and 18 multi-bilateral trust funds. In 1997, over 35 new projects were added to the multi-bilateral portfolio;

(h) The overall process, from submission of proposals to donor approval, can take from 1 to 1½ years resulting in delays in project implementation. Additionally, this lengthy review and approval process requires UNFPA units to follow-up constantly on pending actions.

15. During the third regular session of the Executive Board in 1997, several delegations expressed concern over the increase in co-financing activities and the drain these activities may have on the biennial support budget. Some therefore addressed the issue of cost recovery. On following up on this subject, UNFPA has identified two areas of concern: (a) the possibility of charging managerial and support services costs on multi-bilateral co-financing projects; and (b) the adequacy

of the current level and system of reimbursement for administrative and operational support (AOS) costs. The two support costs incurred for multi-bilateral projects are described briefly below:

(a) Managerial and support services costs correspond to the full range of management and administrative support provided directly to develop, oversee and monitor projects financed by multi-bilateral contributions in accordance with the provisions of the multi-bilateral funding agreement. UNFPA must provide essential managerial and administrative services and support within its existing structure and with existing staff. Currently, UNFPA is not reimbursed for such management and support services;

(b) AOS costs cover the substantive, technical and managerial staff skills and expertise provided by UNFPA in the execution of multi-bilateral-funded projects. The Executive Board previously authorized UNFPA to be reimbursed at a rate of 5 per cent to cover the incremental workload of executing both multi-bilateral and regular projects. As noted below, UNFPA proposes that the percentage for AOS be increased to 7.5 per cent, which reflects more accurately the cost of such services and brings UNFPA in line with other executing agencies, which also charge 7.5 per cent for services.

16. In view of the above, it is timely to review current operational methods of multi-bilateral funding to determine the estimated costs UNFPA has to bear for providing managerial and support services. While cost recovery for undertaking multi-bilateral funding is admittedly a complex process, UNFPA has benefited from the reports on this subject recently prepared by UNDP and UNICEF. Many of the definitions and general conclusions in these reports are applicable to UNFPA and are in accordance with the recent budget harmonization exercise; thus, it seems practical not to repeat them in this report. Rather, this report builds on some of the cost-recovery methodologies used by UNDP and UNICEF and concentrates on providing the Board, in as clear a manner as possible, the estimates of what it costs UNFPA to provide managerial and support services for monitoring multi-bilateral projects.

IV. MULTI-BILATERAL MANAGERIAL AND SUPPORT SERVICES UNDERTAKEN BY UNFPA UNITS

17. For purposes of this analysis, managerial and support services are seen as encompassing four key processes. These are: (a) formulating projects and discussing prospective pipeline projects with donors and recipients; (b) negotiating and formulating multi-bilateral agreements; (c) providing operational support; and (d) monitoring the financial and substantive aspects of the projects and reporting on them in accordance with the provisions of specific agreements. The estimates of unit workload levels are based on a sampling of the number of multi-bilateral transactions in each category per principal unit in the field and at headquarters. This information is used to determine

the quality and type of transaction, which, in turn, indicates the staff category and level, e.g. P-4 or G-4, and preliminary conclusions concerning the amount of staff time required for such transactions. The results from this rather simple and straightforward analysis are summarized below, and the direct financial implications for providing managerial and support services are presented in table 4 and charts 4 and 5.

18. The UNFPA Country Representatives, along with the country offices and the Resource Development Branch at headquarters, play a very large role throughout the multi-bilateral cycle, but especially in the early stages. Multi-bilateral project formulation and donor contact is carried out primarily by the UNFPA country office in consultation with the programme country. The country office secures the necessary substantive expertise in the areas to be covered by the multi-bilateral project, i.e., technical skills and organizational and managerial capabilities. During this process, significant managerial support is provided, especially concerning inputs and guidance on UNFPA policies and procedures and on financial and administrative issues. UNFPA Representatives also play a pivotal role in phase II of the process -- negotiating the multi-bilateral agreement. With the support of headquarters units, primarily the Resource Development Branch, the agreement is prepared and approved by the concerned parties. To facilitate this process, standard model agreements now incorporated in the Fund's multi-bilateral guidelines are used as much as possible. In some cases, donors may require that their own formats be used, thus prolonging the agreement-preparation stage. The Geographical Division focal points and Finance Branch are also very actively involved so as to ensure that the provisions of the agreement are in keeping with UNFPA programming priorities and financial rules and regulations. In phases III and IV of the cycle, UNFPA must provide the administrative and support services necessary to backstop multi-bilateral projects. Such services include: financial management, communication and reporting, record-keeping and maintenance, procurement, logistics and data processing. The bulk of these activities are carried out by headquarters units in coordination with the country office.

19. To determine the estimated managerial and support services costs in UNFPA country offices for developing and monitoring projects funded from multi-bilateral contributions, a review was first conducted to identify those field offices managing multi-bilateral portfolios of over $1 million in annual expenditures. A prototype office was then selected and analysed using the process framework described in paragraph 17 above. The provisional results show that country office staff routinely spend approximately 10 per cent to 15 per cent of their time on such managerial and support services. Considering the current number of country offices in this category (17), as well as those country offices (26) that have much smaller multi-bilateral portfolios, UNFPA estimates that approximately 60 per cent of multi-bilateral managerial and support services costs are incurred in the field, as illustrated in table 4 and charts A and B.

Table 4 - Breakdown of Managerial and Support Services Costs
(in thousands of United States dollars)

Field Offices		743
Headquarters		508
	Resource Development Branch	221
	Geographical Divisions	166
	Financial Branch	86
	Procurement Branch	35
Grand Total		1,250

Chart 4 -
Breakdown Between Field
and Headquarters

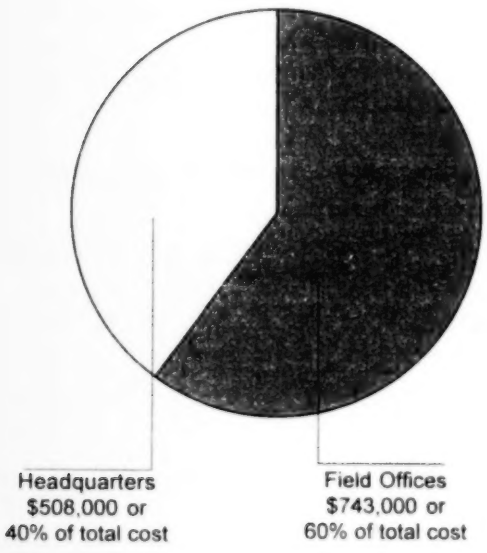
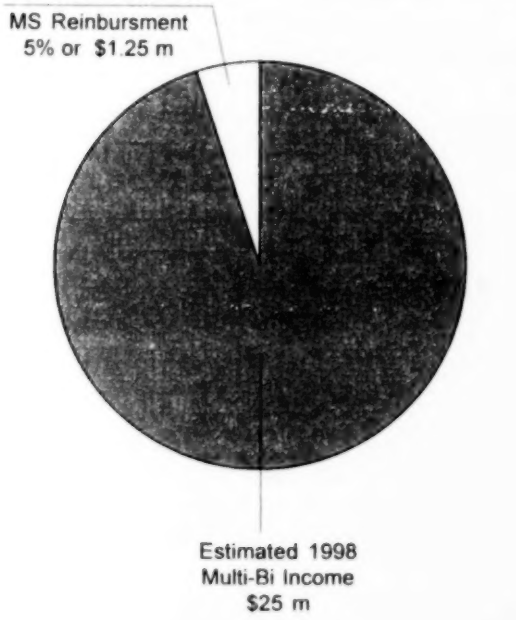


Chart 5 -
Estimated 1998 Multi-Bi Income
and Percentage for MS Cost Recovery



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20. At headquarters, the primary managerial and support services functions are carried out by the Resource Development Branch (RDB) and the Geographical Divisions, with significant support from the Finance Branch on financial analysis and reporting matters. As mentioned above, the Resource Development Branch has been set up, among other things, to coordinate multi-bilateral funding, e.g., to prepare and monitor multi-bilateral funding procedures and to assist country offices and headquarters units to manage support services for multi-bilateral projects. Over half of RDB's staff time is directly devoted to this task. In the Geographical Divisions, multi-bilateral focal points liaise constantly with programme officers, RDB and field offices on the development and monitoring of multi-bilateral projects. The Finance Branch carries out the main financial functions, and the Procurement Branch performs a small number of administrative duties in phase IV of the multi-bilateral cycle that are not included in its regular activities or covered by the 5 per cent AOS project implementation recovery charge.

V. COST RECOVERY FOR MULTI-BILATERAL TRUST-FUND ARRANGEMENTS

A. Reimbursement of managerial and support services costs

21. As noted above, managerial and support services costs are distinct from AOS costs. They apply only to co-financing activities and are reimbursable only to UNFPA. The purpose of charging for managerial and support services is to recover the costs of administering projects that fall outside of UNFPA's regular programmable activities, which are supported by the biennial support budget.

22. UNFPA provides full managerial and substantive support to activities financed from multi-bilateral resources. Multi-bilateral arrangements entail additional managerial and administrative support from UNFPA, regardless of the executing agency, for such services as developing and maintaining agreements, recording funds, reconciling accounts, providing technical support, monitoring the substantive aspects of the projects, providing oversight and evaluation, as well as financial reporting and overall project management. The performance of these tasks represents a significant drain on UNFPA resources (biennial support budget) for which, currently, no compensation is received. UNFPA is therefore supporting the management and administration of multi-bilateral projects with general financial resources meant for the support of regular UNFPA activities.

23. UNFPA reviewed the current practices of UNDP (as set forth in document DP/1998/3) which has a general mandate from the Executive Board for cost recovery of incremental costs associated with the administration of activities funded from supplementary resources. UNFPA also recently examined UNICEF's Cost Recovery Policy (document E/ICEF/1998/AB/2.6). In the spirit of harmonizing its procedures with its partner organizations, UNFPA proposes to establish a

managerial and support services cost-recovery rate of 5 per cent to be levied on all multi-bilateral trust-fund projects. Income earned through managerial and support services cost recovery will be distributed back to those units that bear the heaviest administrative burden for the specific project or activity in question. The costs recovered should be apportioned as indicated in chart A: 60 per cent to the respective country offices and 40 per cent to the pertinent headquarters unit.

B. Reimbursement of administrative and operational services (AOS) costs

Multi-bilateral (co-financing) arrangements

24. Multi-bilateral trust-fund agreements currently provide funding for the reimbursement of AOS costs at the same levels charged under regular programmable resources. UNFPA, acting as executing agency for trust-fund projects, is eligible for reimbursement of AOS costs associated with all project expenditures at the current level of 5 per cent. This amount is included in trust-fund expenditure (i.e., funded by the donor) and credited to UNFPA's biennial support budget.

25. Reimbursable procurement services provided by UNFPA, currently reported under trust funds, command a similar reimbursement of 5 per cent (procurement fee), the net amount of which, until 1998, had been credited to UNFPA's miscellaneous income. Beginning in 1998, the net reimbursable procurement income/expenditure is to be credited/debited to the biennial support budget in accordance with the harmonization of UNDP/UNICEF/UNFPA support budgets. Reimbursable procurement charges will remain at the 5 per cent level.

26. The Executive Director proposes to increase the rate of reimbursement for UNFPA as an executing agency to 7.5 per cent for multi-bilateral trust-fund projects, commensurate with other United Nations agencies and consistent with the AOS costs charged under regular programmable resources above.

Summary of proposals on cost recovery

27. The Executive Director's proposals on cost recovery for managerial and support services and for AOS are as follows:

(a) Managerial and support services should be levied at a rate of 5 per cent on all multi-bilateral activities and apportioned between the concerned country offices and headquarters units at 60 per cent and 40 per cent, respectively;

(b) Administrative and operational services costs for UNFPA execution of multi-bilateral trust fund projects should be increased from the current level of 5 per cent to 7.5 per cent.

Recommendation

28. The Executive Director recommends that the Executive Board endorse the continued use of multi-bilateral funding as a viable modality to supplement the general resources of UNFPA and approve the recommendations for cost recovery as outlined above.

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PROGRESS REPORT ON IMPLEMENTATION OF THE 1998-1999 BIENNIAL SUPPORT BUDGET

Report of the Executive Director

I. INTRODUCTION

1. This report is submitted in response to Executive Board decision 97/26, paragraph 7, adopted at the third regular session 1997, which requested the Executive Director to report to the Board at its third regular session 1998 on the progress in implementing the 1998-1999 biennial support budget, taking into account relevant developments, as well as foreseeable trends with regard, inter alia, to the income level for 1998 and the projections for 1999, the expected level of programme expenditure in 1998, as well as the United Nations reform process. The report is divided into six sections, with section I serving as an introduction. Section II deals with the income situation and forecast for the biennium 1998-1999; expenditures and their breakdown are given in section III; implications of the United Nations reform process are traced in section IV; progress in implementing the biennial budget is provided in section V; and section VI is the conclusion.

2. The 1998-1999 biennial support budget (document DP/FPA/1997/14) was submitted for consideration by the Executive Board at the third regular session 1997, and was subsequently approved in decision 97/26. The approved net appropriation totals $127.5 million and includes the creation of 53 new posts, all in the field, 7 of them corresponding to new UNFPA Representative

posts (including 2 posts transferred from headquarters to the field). Decision 97/26, inter alia, urged the Executive Director to review the climate of uncertainty regarding future income when filling the seven new UNFPA Representative posts included in the budget, and also requested that an oral report be presented to the Board at the second regular session 1998 on the "criteria and mechanisms to be used for any readjustment to the biennial support budget for 1998-1999 in the event of a significant shortfall in income" (para. 8).

3. UNFPA reported on those matters at the second regular session. The Executive Board took note of the Fund's reports, and, in decision 98/8, authorized the Executive Director to begin the recruitment of the new UNFPA Representatives already approved in decision 97/26.

II. INCOME SITUATION AND FORECAST FOR THE BIENNIUM 1998-1999

4. Despite very difficult economic circumstances, many donors have continued to demonstrate their commitment to the goals of the Programme of Action of the International Conference on Population and Development (ICPD) and to the work of UNFPA by maintaining, and in some cases increasing, their level of contributions in their national currency. In United States dollars, the Fund's total income ranged from a high of $329.8 million in 1995, the year immediately following the ICPD, to $328.8 million in 1996 and $317 million in 1997. This decline in total income was primarily due to reductions in the contributions of a few donors and to losses resulting from unfavourable currency exchange rates.

5. After extensive discussions at the annual session 1998, the Executive Board agreed to the Fund's projected regular resource income of $310 million in 1998, including contributions from private foundations, primarily from the United Nations Foundation. The anticipated total resource income for 1998, including regular, multi-bilateral and other resources, is $335 million. The current estimate of income from regular resources, including private foundations, for 1999 is $332 million and the total from all sources is currently estimated to be $357 million, as contained in the work plan for the period 1999-2002. As approved by the Executive Board at its annual session 1998, the estimated income for the biennium 1998-1999 amounts to $642 million from regular resources, and $692 million from all sources, including regular, multi-bilateral, private foundations and others.

6. Other income to the UNFPA general fund includes investment income and gains/losses on currency exchange. Temporary surplus funds, as well as funds in the operational reserve, are placed in short-term financial instruments. The level of surplus funds and income derived from them is reliant on the rate of implementation of UNFPA programmes, as well as the rate of receipt of contributions. Since project implementation rates have improved significantly over the past few years, the volume of investable funds has decreased resulting in lower investment income. Exchange gains and losses may result from actual currency transactions, the revaluation of pledges, or the revaluation of local currency balances in operating fund accounts. The currency of record is the

United States dollar; however, a majority of financial transactions occur in other currencies resulting in gains and losses against the dollar. During the 1994-1995 biennium, UNFPA realized net gains on currency exchange of $0.9 million; however, net losses totalling $5.2 million were recorded in the 1996-1997 biennium.

7. The timing of receipt of contributions, aside from the currency exchange implications as described above, is crucial from a cash-flow management perspective. For example, the late receipt of certain 1996 contributions forced UNFPA to draw down approximately $20 million from the operational reserve to finance ongoing operations into January of 1997. Since then, UNFPA has made great strides in cash-flow management, in part by improving the rate of receipt of contributions.

8 It is important to underscore the issue of resource mobilization in the context of income forecasts and their implications for the support budget and programme delivery. In this regard, UNFPA presented a conference room paper (DP/FPA/1998/CRP.2) at the second regular session 1998, which mapped out a resource mobilization strategy based on four primary objectives: (a) to ensure predictable, adequate and stable growth of core resources; (b) to supplement core resources with non-core funding; (c) to expand the donor base; and (d) to increase the amount of resources currently provided by the programme countries themselves. In order to achieve these objectives, UNFPA plans to carry out carefully targeted advocacy and information campaigns aimed at building both public and parliamentary support for proactive population agendas.

III. EXPENDITURES AND THEIR BREAKDOWN

9 UNFPA spends the majority of its funds for programmes and projects, especially at the country level. During most of the past decade, UNFPA has successfully maintained project expenditure at around 72 to 73 per cent of total expenditures. Similarly, project expenditures as a percentage of programme expenditure have also been maintained at close to 90 per cent. The resource utilization rate (the ratio of programme expenditure to programmable resources) for regular resources has also increased from 90 per cent in 1996 to 95 per cent in 1997. This high level of programme delivery testifies to the Fund's growing ability to deliver increasing levels of population assistance. Another indication of the Fund's improvement in programme delivery is the reduction of unexpended resources during the past few years. Successively, UNFPA has increased its capacity to deliver quality programmes, and the balance of unexpended resources has been progressively reduced and was $11.5 million as of 31 December 1997. The goal is to eliminate the balance by the end of the 1998-1999 biennium. The programme expenditures for 1998 are estimated at $252 million, and it is expected that UNFPA will be able to achieve this target by attaining a high delivery rate as evidenced in recent years.

10. Another component of total expenditure is the biennial support budget, which finances the support network required to carry out the mandated activities of UNFPA. Historically, the support

budget has grown marginally with the increasing income of the Fund, remaining within a relatively narrow range of between 16 and 20 per cent of income. Since 1994, UNFPA has maintained the "administrative" portion of the budget as a percentage of income at about 4.0 per cent, down from an average of about 6.0 per cent in previous years. Furthermore, headquarters costs have remained relatively constant since 1991. This confirms the Fund's continued commitment to increase the proportion of its income in support of programme activities.

IV. IMPLICATIONS OF THE UNITED NATIONS REFORM PROCESS IN THE BIENNIAL SUPPORT BUDGET

11. UNFPA fully participates in the United Nations system-wide efforts to enhance coordination and to promote the Secretary-General's reform initiative, including through its participation and active involvement in the United Nations Development Group and its committees, as well as other mechanisms. However, the financial benefits and/or gains that were expected to accrue from the reform initiative have yet to be realized. By contrast, for a small organization like UNFPA, the additional demands for coordinated efforts at the field level have put an increased burden on the limited resources of the Fund's country offices. As members of the country teams under the direction of the United Nations Resident Coordinator, UNFPA staff at the field level are actively participating in system-wide plans and programmes and the coordinated follow-up to the recent series of United Nations global conferences. However, attendance at a high number of coordination meetings, theme group meetings and the United Nations Development Assistance Framework meetings has placed additional pressures on the Fund's small staff who, at the same time, must fulfil their mandated role of delivering UNFPA assistance to countries.

12. At the headquarters level, UNFPA staff actively participate in a number of global-level, inter-agency working groups and other coordination mechanisms which further strain staff capacity. Additionally, UNFPA has to fulfill reporting requirements established by various legislative bodies such as the General Assembly, the Economic and Social Council (ECOSOC), the Commission on Population and Development (CPD) and the Executive Board, among others.

13. UNFPA has worked closely with its partner organizations, including UNDP and UNICEF, in an effort to move towards: (a) formulating a much-needed common approach to issues such as budget harmonization, common premises and common services, and (b) implementing a sound process to share information. For example, UNFPA has consistently coordinated with UNDP with regard to common premises in the field and currently shares premises with UNDP and other Joint Consultative Group on Policy (JCGP) member agencies in a majority of countries in every region. Furthermore, UNFPA relies on UNDP for a number of administrative support services in all UNFPA country offices, thus eliminating the need for parallel staff. Given that UNFPA has already availed itself of common services and premises through its close ties with UNDP, with concomitant budget savings already being realized, the potential for realizing further economies in these areas is limited.

V. PROGRESS IN IMPLEMENTING THE 1998-1999 BIENNIAL SUPPORT BUDGET

14. The UNFPA budget strategy for the biennium 1998-1999, as elaborated in DP/FPA/1997/14 and approved by the Executive Board at the third regular session 1997, is to enable UNFPA to respond effectively and responsibly to new policy and programme requirements in the current biennium and beyond. The major thrust of the approved budget is the strengthening of the country offices, while keeping the Fund's management and administration costs at the lowest possible levels. The budget for country offices is an increase over the previous biennium while that for headquarters is a decrease. Similarly, the budget dedicated to programme support has been increased, the budget for the management and administration of the organization has been decreased.

15. The Executive Board approved, in decision 97/26, a net appropriation of $127.5 million for the biennium 1998-1999. The thrust of the budget towards the field is reflected in the fact that 51.3 per cent of gross appropriations are for the country offices. Likewise, over 70 per cent of gross appropriations are for programme support and under 30 per cent for management and administration of the organization (see table below).

Biennial support budget 1998-1999, by appropriation line

	Thousands of U.S. dollars	As a % of total gross appropriation
Programme support		
Country offices	73,484.2	51.3%
Headquarters	26,811.5	18.7%
Subtotal	100,295.7	70.0%
Management and administration of the org.	42,959.7	30.0%
Total gross appropriations	143,255.4	100.0%
Less: Estimated income to the budget	15,707.0	
Estimated net appropriations	127,548.4	

16. Since the start of the current biennium, UNFPA has been implementing its support budget in line with the resource situation to the maximum extent possible. Without eroding its limited and critical staff resources (which account for the largest portion of the organization's support budget), UNFPA has imposed on itself, with the help of measures described in paragraph 17 below, the objective of maintaining, in 1998, net expenditures at the same level as in 1997 (in real terms), which would imply a 1998 net expenditure of around $60.5 million. This objective signifies a reduction of $1 million against the already stringent budgeted expenditure of approximately $61.5 million for 1998. Further, UNFPA will continue to strive to reduce actual net expenditure for the 1998-1999 biennium to about $125.5 million, representing a total savings of $2 million against the Executive Board's approved, but stringent, net appropriation of $127.5 million. In relation to the expected income for the biennium 1998-1999, noted by the Executive Board at the annual session 1998, an expenditure level of $125.5 million will represent 19.5 per cent of regular resources, including contributions from private foundations, and 18.1 per cent of total resources. Thus, UNFPA will do everything feasible to keep the support budget expenditures as low as possible and will keep them under the agreed 20 per cent limit as over the last several biennia. If a higher-than-anticipated level of income is realized by UNFPA in 1999, as is expected in view of the ICPD+5 process that is under way, this ratio could become smaller for the biennium 1998-1999.

17. Since the beginning of the current year, UNFPA has been applying a number of cost-cutting measures, which, in combination, are expected to bring UNFPA to the desired expenditure objective described in the previous paragraph. Such measures are partially influenced by the review of the actual savings obtained in the 1996-1997 biennial support budget. These include: (a) optimizing the post vacancy rate by carefully analyzing, and exercising optimal timing in filling, both the vacancies that are likely to arise during the current biennium and the new posts in the field approved by the Executive Board in the current biennial support budget; and (b) efficiently utilizing operational expenses and streamlining operations: some of the Fund's operational expenses can be curtailed in the short term through management decisions. Examples of such measures include reassessing travel plans and mission planning; reconsidering training events; reducing through better planning the need for temporary assistance and consultancies. While the individual savings coming from each of these measures may not be significant, taken together they will contribute to the attainment of the Fund's budgetary objectives.

18. Additionally, UNFPA will try to generate higher levels of income, as credit to the biennial support budget, by: (a) implementing revised cost-recovery mechanisms -- UNFPA has recently conducted an analysis on the issue of cost recovery from multi-bilateral funding, and will present to the Board at the third regular session a report on this matter (see document DP/FPA/1998/11) that makes a number of proposals to implement a fair cost-recovery system which will potentially raise the income credited to the biennial support budget coming from support to multi-bilateral activities, if approved as presented; and (b) intensifying procurement activities for third parties -- this source of income to the budget has some potential for growth within the limits of the Fund's mission.

19. UNFPA is a relatively small organization compared to other United Nations funds and programmes, and it carries out its activities through comparatively fewer and smaller country offices. During their field visits, Executive Board members have had the opportunity to observe situations of under staffing in some of the UNFPA country offices; similar observations were also made by various evaluation and audit missions. The emphasis on national execution and on the need to increase local absorptive capacity in African and other least developed countries necessitates capacity building of UNFPA country offices in terms of staff, management competence, training and other capacities to enable them to strengthen and/or develop, in turn, the capacities of programme countries to formulate, implement, monitor and evaluate programmes, in line with the ICPD Programme of Action. One of the Fund's major challenges is to balance these growing needs with the strict cost control described in previous paragraphs. In addition, the Fund's small size limits the possibility of further redeployment of resources from headquarters. Despite this, UNFPA has managed to transfer a few posts from headquarters to the field. However, the cost reduction to be achieved is very significant when taking into account the fact that the expenditure objectives include the increased cost corresponding to the appointment of a number of new posts and the setting up of new support offices, as approved by the Executive Board. Given that the Fund's priority is to reinforce field operations, it must be recognized that most of the cost-containing efforts will have to be effected at headquarters, thereby placing enormous pressures on the Fund's declining staff resources at the headquarters level.

VI. CONCLUSION

20. During the recent past, UNFPA has had to face the dual pressures of limited resources and growing demands by programme countries to achieve the ICPD goals. Prudent financial management of these limited resources has allowed the Fund to continue to fulfil its role as the lead agency for operationalizing population and reproductive health activities, while keeping expenditure under reasonable limits. UNFPA will continue this in the immediate future. UNFPA is now more strategically focused than ever, both in its programme and its resource allocations. It is also aware of the budget priorities and strategic issues raised by the Executive Board, and has incorporated those exigencies in its biennial budget for the current biennium. The Fund will continue to exercise spending controls and will use these as a key policy tool to contain the support budget. The Fund's budget strategies are designed to promote long-term fiscal progress, ensuring that future support budgets are better positioned to withstand future resource and other pressures.

21. The Executive Board may wish to take note of this report.

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PROGRESS REPORT ON UNFPA SUPPORT TO PARTNERS IN POPULATION AND DEVELOPMENT

Report of the Executive Director

1. This report on the support provided by UNFPA to Partners in Population and Development, the South-South initiative launched by 10 developing countries at the International Conference on Population and Development in September 1994, is being submitted in response to decision 96/09 of the UNDP/UNFPA Executive Board. That decision approved the arrangements proposed to support the intergovernmental organization Partners in Population and Development, as outlined in the report on South-South Cooperation: UNFPA support to "Partners in Population and Development" (document DP/FPA/1996/11). Further, the decision requested the Executive Director, inter alia, to report to the Executive Board at the third regular session 1998 on the activities and achievements of the initiative, including the role of the UNFPA, and on the justification for further Fund involvement beyond 1998.

2. In April 1995, the Partners in Population and Development was formally established as an intergovernmental organization by Bangladesh, Colombia, Egypt, Indonesia, Kenya, Mexico, Morocco, Thailand, Tunisia and Zimbabwe at a meeting held in Harare, Zimbabwe. At that meeting, those 10 countries approved the bylaws of the organization, constituted themselves as a Board, elected an Executive Committee to approve and update the Partners programme and communication

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strategies, and adopted an annual budget and accounting system. In July 1996, at its meeting in Mexico, the Partners Board decided to accept the offer of Bangladesh to host the Partners Secretariat in Dhaka. The Secretariat became operational in September 1996.

3. In keeping with the Executive Board's suggestion that the Partners consider broadening the scope of its work by actively involving other developing countries, two additional countries, China and Pakistan, became members of the Partners. Furthermore, India is expected to become a member later in 1998 bringing the total number of members to 13.

4. The work of the Partners takes place in key areas of reproductive health, including family planning and sexual health, and population and development, not only in the member countries but also in a large number of other countries. The overall goal of the Partners is to facilitate and coordinate the intercountry sharing of skills and knowledge in four focal areas: (a) integration of family planning and reproductive health structures; (b) promotion and integration of sexually transmitted disease (STD) and HIV/AIDS prevention and care within the reproductive health structure; (c) provision of reproductive health services aimed at the special needs of adolescents, both male and female; and (d) reduction of maternal morbidity and mortality. The Partners Secretariat acts as a catalyst for South-South activities, but does not itself fund or execute them.

5. Since the beginning, UNFPA has been involved in promoting and strengthening this important initiative. For example, during the last two years, UNFPA has provided financial support of approximately $250,000 to the Partners Secretariat.

6. Additional funding for the Partners Secretariat operations and activities is provided by the member countries themselves and a number of international sources, including The Rockefeller Foundation, the World Bank, the Hewlett Foundation and the William H. Gates Foundation. Donor support for the Partners initiative is expected to increase in the coming years. A proposal has already been submitted to The Rockefeller Foundation for additional funding support for various activities, including staff salary support for the next three years. The overall budget for 1998 is $2 million.

7. In addition to funding for the Secretariat, UNFPA support to the Partners involves the management of the Partners trust funds and other administrative support for human resource management. The trust funds are managed within the framework of financial rules and regulations that govern the trust funds managed by UNFPA. The Partners international staff is covered under the same project staff rules and regulations as are applicable to UNDP/UNFPA project staff.

8. The linkage with UNFPA has helped the Partners Secretariat enjoy privileges and facilities similar to those of United Nations organizations. Practically speaking, the arrangement through the

provision of the laissez-passer has proved invaluable in facilitating the official travel of Partners staff. The arrangement has also enabled the Partners to better coordinate their activities with UNFPA field offices and UNFPA Country Support Teams (CSTs) and to benefit from the relationship with UNFPA field structures. The CSTs, for example, have been engaged in awareness raising on South-South collaboration which has helped many countries to understand the benefits associated with such partnerships. The impact of those efforts is reflected in the growing number of countries that wish to join the Partners.

9. Discussions are ongoing in the Partners concerning its full independence in the longer term. In the meantime, however, the Partners has requested to continue the current relationship with UNFPA which enables it to utilize existing United Nations rules, regulations, procedures and administration rather than having to set up its own.

10. A number of donors and foundations are cooperating with UNFPA to support South-South activities, particularly the activities of the Partners. The management of the trust funds by UNFPA has been administratively helpful to bilateral and multilateral donor agencies that have funded the Partners Secretariat through UNFPA.

11. As noted above, UNFPA played a key role in the establishment of the Partners' Secretariat in Dhaka. Composed of five professional and five administrative staff, the Partners Secretariat is fast becoming a central point for networking among member-countries, particularly in identifying collaboration opportunities for training, research, exchange of information and the required financial support. The Partners Secretariat has experienced some difficulties and delays in processing administrative and financial matters. The Secretariat will thus be strengthened through the addition of a Professional officer to facilitate administrative and financial procedures with UNFPA/UNDP, Dhaka. In addition, separate foundation funding is provided to UNFPA for a post to facilitate technical and administrative linkages between Partners, its funders, and UNFPA Headquarters and field offices.

12. A number of Governments, national and international non-governmental organizations (NGOs) and development agencies regularly participate in the Partners activities. This collaboration provides opportunities for addressing reproductive health issues through sharing of experiences, skills and technologies, some of which will be discussed below.

13. Guided by the ICPD Programme of Action, the Partners strategic framework outlines a communications strategy that includes the collection and distribution of technical information relevant to South-South collaboration and its wider dissemination through media briefings, particularly during the Partners Executive Board meetings. Articles on the activities of the Partners

are also disseminated through such channels as newsletters and through the media of member countries.

14. Through in-depth country surveys, the Partners Secretariat is accumulating up-to-date country-specific information on policies, approaches and lessons learned in reproductive health priority areas. The Secretariat plans to expand its electronic database to include information on donors, member country programmes, and a list of regional and member country institutions involved in reproductive health and population. In addition, it plans the development of a consultant roster to provide opportunities for professionals from developing countries to play active roles in technical co-operation. The Secretariat is using the expertise of the International Council on Management of Population Programmes (ICOMP) to disseminate the above information on a regular basis through the *Partners Newsletter*.

15. An example of sharing information and technologies among 12 Asian countries occurred at a recent workshop in Dhaka. The workshop, which was organized by the Partners Secretariat in collaboration with UNFPA and other international agencies, examined some of the multisectoral approaches in population and development currently being utilized by some countries. The topics discussed included: improving the quality and outreach of maternal health programmes; providing reproductive health information, counselling, and, where feasible, services to adolescents; preventing the spread of STDs/HIV/AIDS; moving from demographic targets to community-based approaches in the implementation of family planning programmes; and sensitizing service providers to provide better quality of care. The workshop also discussed the policy implications for countries that have already achieved low fertility and are planning to deliver family planning programmes through integration with other primary health services. Such integration may help family planning programmes to become sustainable. The workshop resulted in several concrete proposals for South-South collaboration.

16. The Partners places special importance on working with civil society, especially NGOs. Several projects have been developed to facilitate the sharing of NGO knowledge, experiences and success in key areas of reproductive health. Recognizing the expertise, resources and comparative advantages of NGOs, and other national institutions, those projects seek to strengthen the ability of NGOs to facilitate expanded sharing and exchange with other countries, including the provision of technical assistance. For example, Partners has helped design a special project with Profamilia Colombia with funding provided by the Government of the Netherlands through UNFPA. The project deals with early and unsafe adolescent sexual activity. Specifically, the project supports training in reproductive health programme management for youth-related NGOs from countries in the Latin American region. Selected NGOs from other countries in the Asia and the Pacific region and the Africa region will also be supported through study tours and opportunities to orient themselves on the success of Profamilia. One aim of this networking activity is to demonstrate a

model of how reproductive health services for adolescents can be provided to promote safe sexual behaviour to prevent unwanted pregnancies and STDs, including HIV.

17. With the support and guidance of its Board and in close cooperation with UNFPA, the Partners Secretariat is moving ahead with the implementation of other action plans. A number of networks involving programme units and academic and research institutions have been developed and are already active:

(a) The North African Network on Prevention and Care of STDs/HIV/AIDS and Infertility brings together managers from Algeria, Morocco and Tunisia to work on common projects. Another network has been successfully created between North and West African Francophone countries to work on reproductive health and population issues. It involves 12 countries from Francophone Africa and the Maghreb countries. Collaborative projects on reducing maternal mortality and morbidity are underway among Djibouti, Niger and Tunisia as well as between Mauritania and Morocco;

(b) The East-African Reproductive Health Network (EARHN) involves collaboration among Kenya, Uganda and the United Republic of Tanzania whereby Governments and NGOs promote information dissemination for adolescents on the prevention and management of STDs/AIDS. A similar proposal has been prepared to set up integrated maternal health and family planning services along the borders of Belize, Guatemala and Mexico.

18. Some of the key challenges facing the Partners are outlined below:

(a) It has been recognized from the beginning that the member countries themselves would play a direct role in organizing various South-South activities. However, it will take time to reflect this fully at the operational level. With that in mind, Partners has agreed that it is crucial for the member countries and other participating Governments to establish a focal point responsible for coordinating South-South activities and to make this focal point responsible for day-to-day communications with the Partners Secretariat and other interested groups. Funding from the William H. Gates Foundation is available to expand this mechanism of focal points in each member country;

(b) The Partners initiative has been successful in raising and maintaining international interest in South-South cooperation and is now faced with an increasing demand for intercountry collaboration and networking. The Secretariat, therefore, plans to focus on a few selected activities and to make maximum use of the electronic media. In

this context, the Partners has set up a web site and has an agreement with *The Earth Times* to disseminate up-to-date information on South-South activities related to reproductive health by way of organizing briefings and media events.

19. The creation of Partners is an important measure to improve reproductive health services for individuals and couples around the world. The Partners initiative recognizes that much valuable technical and programmatic experience can be found in the developing countries themselves. Improved South-South cooperation is both an important step along the road to self-sufficiency for developing countries and an important goal of international development. Thus, South-South activities in the field of reproductive health should attract substantial support from donors, international organizations and civil society. Indeed, the very fact that developing countries are exercising leadership in this field and giving it increasingly high priority through the establishment of Partners justifies renewed efforts by the donor community to meet the funding targets of the ICPD Programme of Action.

20. UNFPA has been successful in promoting South-South cooperation through a variety of mechanisms. One such mechanism, for example, is to emphasize South-South cooperation in its country programmes. Another is the establishment of four Centres of Excellence which promote South-South exchanges through training programmes for developing country programme managers in both government and NGO sectors. The Fund's ongoing South-South exchanges through its field offices and CST teams has also been helpful to the Partners initiative. UNFPA support at this initial stage is, therefore, crucial to strengthen the Partners Secretariat. In the next two years UNFPA plans to review the Partners activities and accomplishments to assess possible future support from the Fund.

Recommendation

21. The Executive Board takes note of the progress report on the activities and achievements of the Partners in Population and Development contained in document DP/FPA/1998/13 and approves the continuing working relationship between UNFPA and the Partners in Population and Development as contained in the report.

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REVISION OF FINANCIAL REGULATIONS OF THE UNITED NATIONS DEVELOPMENT PROGRAMME AND OF THE UNITED NATIONS POPULATION FUND

REVIEW OF MULTI-BILATERAL TRUST-FUND ARRANGEMENTS OF THE UNITED NATIONS POPULATION FUND

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Administrator of the United Nations Development Programme on revisions of UNDP financial regulations (DP/1998/32) and the reports of the Executive Director of the United Nations Population Fund on revision of UNFPA financial regulations (DP/FPA/1998/10) and on a review of multi-bilateral trust-fund arrangements (DP/FPA/1998/11). During its consideration of the reports, the Committee met with representatives of the Administrator and of the Executive Director who provided additional information.

UNDP Financial Regulations

2. In his report, the Administrator seeks approval for interim changes to the financial regulations on the biennial support budget, cost-sharing and procurement. The Advisory Committee notes from paragraph 2 of document DP/1998/32 that the Administrator intends to carry out an in-depth revision of other financial regulations to reflect the new structure of the authority and accountability over financial management arising from the UNDP 2001 change process, the growth of other resources (other than regular resources and resources received by funds entrusted to the Administrator), the implementation of successor programming arrangements, the results of the financial risk assessment being undertaken by UNDP, and the impact of the reform proposals of the Secretary-General being implemented by UNDP. The Advisory Committee understands that this comprehensive revision to the Financial Regulations will

be presented in 1999. The Committee requests that the presentation of revised financial regulations in 1999 make quite clear what is being proposed for rearrangement of presentation and what is being proposed for substantive change.

3. With respect to the proposed changes in the Financial Regulations contained in document DP/1998/32, these may be grouped in two broad categories. The first grouping covers changes to update the definition of categories of resources and related accounts and other adjustments, including those resulting from the adoption of the harmonized presentation of the biennial support budgets for UNDP and other United Nations funds and programmes. The second grouping covers procurement as a major area of operation of UNDP. As indicated in paragraph 10 of document DP/1998/32, under the common services initiative included in the reform proposals of the Secretary-General, the proposed regulations on procurement are the result of a collaborative effort by a working group of the United Nations Secretariat and United Nations funds and programmes. The Advisory Committee was informed that the text of the proposed UNDP regulations on procurement could eventually serve as the basic text for the regulations on procurement for all the other organizations (i.e., the United Nations Office for Project Services, the United Nations Children's Fund, UNFPA and the United Nations Secretariat).

4. With respect to the first grouping of the revised regulations, the Advisory Committee does not have any objection to the proposed revisions, as indicated in sections A and B of annex II of document DP/1998/32. The Committee notes that the subject of delegation of authority by the Administrator to other UNDP officials for procurement functions and management of property, as indicated in the proposed text of regulation 14.5 (c), is already covered under the terms of Regulation 3.1 and more specifically under Rule 103.1. In addition, the Committee was informed that under the current Regulation 14.1 (c), as revised in 1996, the Administrator should designate the personnel who may incur obligations on behalf of UNDP. Under Regulation 14.1 (c), "personnel" means, as defined in Regulation 2.2 P (ii), "staff of the organization and other persons employed by the organization, under other contractual arrangements, to perform services for a programme or project activity or for programme support".

5. In this connection, the Advisory Committee was informed that, during the consultations with the United Nations Office of Legal Affairs (OLA), OLA identified concerns expressed by the General Assembly about non-United Nations staff performing procurement-related functions, most recently in General Assembly resolution 52/226 of 27 April 1998. The Committee was informed that, as a field-oriented organization that carries out thousands of projects worldwide through a network of more than 130 country offices, UNDP finds it efficient and appropriate to delegate, from time to time, limited procurement authorities to personnel who are contracted by UNDP but who are not staff. Such delegations, the Committee was informed, are exceptional measures and are made for low-value procurement activities. UNDP uses the services of individuals as project personnel who do not serve under letters of appointment and are not subject to the Staff Regulations and Rules. In this connection, the Committee recommends that, in conjunction with the submission of comprehensive revised Financial Regulations in 1999 (see para. 2 above), the Administrator prepare a policy paper on procurement by non-staff members, indicating the practice followed by UNDP and other United Nations funds and programmes.

UNFPA Financial Regulations

6. As in the case of UNDP, revisions to the existing UNFPA Financial Regulations concern the updating of the terminology used in the harmonized presentation of the biennial support budget, as well as the revisions to the regulations concerning procurement, which arose out of the work of the procurement working group of the common services initiative included in the reform proposals of the Secretary-General.

7. The Advisory Committee does not have any objection to the proposed revision of the Financial Regulations, as indicated in paragraphs 3 and 4 of document DP/FPA/1998/10. With respect to proposed revisions of procurement regulations, the comments of the Committee on UNDP proposed revisions, in paragraphs 3-4 above, are equally applicable to the UNFPA proposal. In the case of UNFPA, the Committee was informed that the Executive Director may delegate authority, as appropriate for procurement functions and management of property only to UNFPA officials and not to non-staff project personnel.

UNFPA multi-bilateral trust-fund arrangements

8. The Advisory Committee welcomes the report of the Executive Director on a review of multi-bilateral trust-fund arrangements (DP/FPA/1998/11), which was prepared in response to Executive Board decision 97/26. Organized in five parts, the report covers the main elements of UNFPA multi-bilateral funding and cost-recovering mechanisms and concludes with the Executive Director's recommendations for undertaking full cost recovery for (a) the managerial and support services (MSS) for handling multi-bilateral activities and (b) the administrative and operational support (AOS) for UNFPA execution of multi-bilateral projects.

9. As indicated in paragraphs 3 and 4 of document DP/FPA/1998/11, multi-bilateral contributions are received by UNFPA from donors and programme recipient countries, financial institutions, non-governmental organizations, and foundations under trust fund arrangements. The multi-bilateral resources are used for specific population activities that cannot be funded from regular resources. As shown in table 1 of document DP/FPA/1998/11, UNFPA multi-bilateral resources are relatively small as compared to regular resources. For 1998, multi-bilateral resources income is projected at around $25 million, or 8 per cent of total resources (DP/FPA/1998/11, para. 8).

10. The Advisory Committee notes from paragraphs 15 (a) and 21-23 of document DP/FPA/1998/11 that UNFPA provides a full range of managerial and support services to develop, oversee and monitor projects financed from multi-bilateral resources. These services are provided by UNFPA to all multi-bilateral funded projects, regardless of whether UNFPA acts as the executing agency for the projects or other agencies are selected to execute the projects. Upon request, the Committee was provided with a detailed schedule of all services provided by field offices and headquarters units to projects funded from multi-bilateral resources (see annex to the present report). Currently, UNFPA is not reimbursed for these managerial and support services. The Committee further notes that managerial and support services costs are incurred by UNFPA, whether the projects are executed by UNFPA or by other executing agencies. The Committee

agrees that the performance of these services represents a subsidy from regular resources (biennial support budget) to activities funded from multi-bilateral resources. The Committee, therefore, agrees with the proposal of the Executive Director to establish a recovery rate of 5 per cent for MSS costs to be levied on all multi-bilateral trust-fund projects. Income earned through MSS cost-recovery should be credited to the biennial support budget in accordance with the proposed provisions of Regulation 8.7. The Committee believes, however, that the proposed apportionment between the concerned country offices and headquarters units, at any given rate, may be overrestrictive and recommends that the Executive Director should continue to exercise her discretion in this regard. The Committee further notes that the proposed rate of 5 per cent falls within the range of rates charged for such services by other United Nations organizations and is based upon an evaluation of workloads. In the interest of providing greater transparency, however, the Committee recommends that UNFPA continue to refine its methodology for quantifying the level of charges.

11. According to the established procedures, when UNFPA acts as the executing agency for a project funded from multi-bilateral resources, UNFPA is reimbursed for AOS costs at the rate of 5 per cent of the project expenditure, and when a United Nations executing agency is selected to execute a multi-bilateral funded project, the agency is reimbursed for AOS costs at the rate of 7.5 per cent of the project expenditure (DP/FPA/1998/11, paras. 24-26). In paragraphs 26-27, the Executive Director proposes to increase the rate of AOS cost reimbursement for UNFPA, as an executing agency of multi-bilateral funded projects, from 5 per cent to 7.5 per cent of the project expenditure. That is, at the same reimbursement rate charged to multi-bilateral projects executed by other United Nations executing agencies for AOS costs.

12. The Advisory Committee notes from paragraph 26 that, when United Nations executing agencies execute projects funded from regular resources, agencies are also reimbursed for AOS costs at the rate of 7.5 per cent of the project expenditure. The Committee recalls that in 1992 UNFPA introduced the AOS cost reimbursement to United Nations executing agencies under the new arrangements to meet the costs involved in providing technical and administrative support to projects (see, for example, document A/49/5/Add.7, para. 36). The Committee has no objection to the proposed increase in the rate of reimbursement for AOS costs from 5 per cent to 7.5 per cent when UNFPA executes projects funded from multi-bilateral resources; however, it recommends that this matter be kept under review and resubmitted to the Committee when updated cost-measurement information on AOS costs becomes available.

Annex

ADDITIONAL INFORMATION ON THE METHODOLOGY FOR DETERMINING MANAGERIAL AND SUPPORT SERVICES COST IN THE UNITED NATIONS POPULATION FUND

As outlined in section IV, item 17 of the report contained in document DP/FPA/1998/11, Managerial and Support Services comprise four processes. The following matrix lists each process (A, B, C and D), the specific work task and the estimated workload level (Heavy, Medium, Light).

	Field office			Headquarters unit		
	Heavy	Medium	Light[a]	Heavy	Medium	Light
A. Multi-bilateral project identification formulation and approval	X				X RDB/GD[b]	
1. Exploratory phase - Meeting with donors and recipient Governments to identify project possibilities and resource mobilization strategy - e.g., convene donors meeting.	X				X RDB/GD	
2. Discuss and negotiate specific proposals and funding requirements.	X				X RDB/GD	
3. Provide/secure necessary substantive expertise to formulate project documentation and budgets.	X					X GD
4. Review technical assessment and approve project.	X					X GD
B. Formulation of multi-bilateral co-financing arrangements	X			X RDB		X GD/FB
1. Identify specific co-financing arrangements and negotiate provisions of using standard co-financing agreements (agreements must be in keeping with UNFPA programme priorities and financial rules and regulations).	X			X RDB		X GD/FB
2. Secure donor approval of agreement and recipient Government approval, if necessary. Revise agreement, if required, in full consultation with concerned parties.	X				X RDB	

	Field office			Headquarters unit		
	Heavy	Medium	Light[a]	Heavy	Medium	Light
3. Set up necessary financial accounts, data files and recording; and request first payment in accordance with disbursement schedule.	X				X RDB/FB	
C. Operational support			X	X RDB		
1. Prepare and update the guidelines procedures for multi-bilateral financing and other related co-financing information.			X	X RDB		
2. Prepare and update multi-bilateral project pipeline portfolio.			X	X RDB	X GD	X GD/FB
3. Develop overall funding strategy and approach for multi-bilateral resources.				X RDB		
4. Organize bilateral donor consultation. Prepare multi-media presentations for multi-bilateral financing agenda items.				X RDB		X GD/FB
D. Substantive and financial monitoring		X		X		
1. Maintenance of co-financing trust fund and cost-sharing accounts.				X FB/RDB		
2. Negotiate disposition of trust fund interest balances and take corrective action on underfunded project accounts.				X RDB		
3. Monitor substantive provisions of multi-bilateral agreements.		X			X GD/RDB	
4. Prepare general summary reports on multi-bilateral reporting.				X RDB		

[a] The workload levels are estimated as follows: Heavy 60-100 per cent; Medium 30-60 per cent; Light, 30 per cent less.

[b] KEY: RDB: Resource Development Branch, GD: Geographical Divisions, FB: Finance Branch.

The points mentioned below describe the specific maintenance type of activities that are carried out to implement each of the above-mentioned multi-bilateral process:

1. Communications - phone/fax/e-mails, meetings

   - Answering
   - Returning
   - Initiating

2. Computer work and data-processing and management

   - Setting up data management system
   - Inputting and updating data
   - Backing up hard drive
   - Preparing computer information presentation

3. Correspondence

   - Reading
   - Responding
   - Initiating

4. File tasks

   - Filing
   - Weeding
   - Archiving

5. General maintenance

   - Accounting (payments, etc.)
   - Mail processing
   - Logistics and supplies